

The following-named officers for appointment to the temporary grade of major in the Marine Corps:

Dorn E. Arnold	James G. Petrie
Roy E. Hagerdon	Evard J. Snell
Albert C. Hartkopf	Harold E. Swain
Raymond H. Leeper	George W. Torbert

The following-named officers for appointment to the temporary grade of captain in the Marine Corps:

Gus C. Daskalakis	Harley L. Grant
Robert H. Fore	George Kross

The following-named officers for appointment to the permanent grade of major for limited duty in the Marine Corps:

George K. Acker	Frederick O'Connor
Harry D. Hargrave	Vernon A. Tuson

The following-named officer for appointment to the permanent grade of captain for limited duty in the Marine Corps:

William G. Reid

The following-named officers for appointment to the permanent grade of first lieutenant for limited duty in the Marine Corps:

Edgar S. Hamilton  
John C. Hudock  
David R. McGrew, Jr.

The following-named officers for appointment to the permanent grade of second lieutenant for limited duty in the Marine Corps:

Harold Bartlett	Richard F. Henderson
Robert E. Boze	Henry S. Jozwicki
Irving F. Buckland	Robert D. Leach
Roger D. Buckley	Harry N. McCutcheon
Herbert G. Cantrell	Calvin C. Miles III
Henry T. Dawes	Derilas A. Moore
William M. Dwigings	James M. Riley, Jr.
Ewing B. Harvey	

The following-named midshipmen for appointment to the permanent grade of second lieutenant in the Marine Corps:

Samuel P. Gardner  
Nick J. Kapetan  
Richard S. McCutchen

The following-named citizens (Contract NROTC students) for appointment to the permanent grade of second lieutenant in the Marine Corps:

Robert L. Lockhart, a citizen of Massachusetts.

Theodore R. Wall, a citizen of North Carolina.

The following-named officer (former enlisted man) for appointment to the permanent grade of second lieutenant in the Marine Corps:

Fredric W. Golles, Jr.

#### CONFIRMATION

Executive nomination confirmed by the Senate May 27 (legislative day of May 23), 1949:

#### UNITED STATES MARITIME COMMISSION

Maj. Gen. Philip B. Fleming, United States Army, retired, to be a member of the United States Maritime Commission for the term expiring April 15, 1955.

## HOUSE OF REPRESENTATIVES

FRIDAY, MAY 27, 1949

The House met at 12 o'clock noon.

Rev. Joseph Joshua Mundell, of Greensboro, N. C., offered the following prayer:

O God, the First Person of the Blessed Trinity, through Thy mercy and justice,

descend Thy gifts and graces upon the ladies and gentlemen of this House that they may lead us, the people of the United States of America, in peace through all days. Amen.

The Journal of the proceedings of yesterday was read and approved.

#### MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 1057. An act for the relief of John Keith.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1843. An act to convert the National Military Establishment into an executive department of the Government, to be known as the Department of Defense; to provide the Secretary of Defense with appropriate responsibility and authority, and with civilian and military assistance adequate to fulfill his enlarged responsibility; and for other purposes.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 714) entitled "An act to provide for comprehensive planning, for site acquisition in and outside of the District of Columbia, and for the design of Federal building projects outside of the District of Columbia; to authorize the transfer of jurisdiction over certain lands between certain departments and agencies of the United States; and to provide certain additional authority needed in connection with the construction, management, and operation of Federal public buildings; and for other purposes"; requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. CHAVEZ, Mr. HOLLAND, Mr. CHAPMAN, Mr. CAIN, and Mr. MARTIN to be the conferees on the part of the Senate.

#### FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949

Mr. SABATH, from the Committee on Rules, reported the following privileged resolution (H. Res. 230, Rept. No. 693), which was referred to the House Calendar and ordered to be printed:

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4754) to simplify the procurement, utilization, and disposal of Government property, to reorganize certain agencies of the Government, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Expenditures in the Executive Departments, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may

have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

#### PECOS RIVER COMPACT

Mr. PETERSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3334) to grant the consent of the United States to the Pecos River compact, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Amend the title so as to read: "An act to grant the consent of Congress to the Pecos River compact."

The SPEAKER. Is there objection to the request of the gentleman from Florida?

Mr. ARENDS. Mr. Speaker, reserving the right to object, will the gentleman from Florida explain the amendment?

Mr. PETERSON. This bill was passed by the House and by the other body. The other body struck out the words "United States" and inserted the word "Congress." The Constitution uses the word "Congress"; therefore the other body is correct.

Mr. ARENDS. In other words, it is a technical improvement.

Mr. PETERSON. A technical improvement; that is correct.

The SPEAKER. Is there objection to the request of the gentleman from Florida [Mr. PETERSON]?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

#### ANNUAL ASSESSMENT WORK ON MINING CLAIMS

Mr. PETERSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 1754) extending the time for the completion of annual assessment work on mining claims held by location in the United States for the year ending at 12 o'clock meridian, July 1, 1949, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference with the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Florida? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. ENGLE of California, MURDOCK, REGAN, LEMKE, and BARRETT of Wyoming.

#### CONSTRUCTION OF FEDERAL PUBLIC BUILDINGS

Mr. WHITTINGTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 714) to provide for comprehensive planning, for site acquisition in and outside of the District of Columbia, and for the design of Federal building projects outside of the Dis-

trict of Columbia; to authorize the transfer of jurisdiction over certain lands between certain departments and agencies of the United States; and to provide certain additional authority needed in connection with the construction, management, and operation of Federal public buildings; and for other purposes, with amendments of the House thereto, insist upon the House amendments, and agree to the conference requested by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. WHITTINGTON, BUCKLEY of New York, LARCADE, DONDERO, and ANGELL.

#### EXTENSION OF REMARKS

Mr. HELLER (at the request of Mr. O'TOOLE) was given permission to extend his remarks in the RECORD in five instances.

Mr. KEOGH (at the request of Mr. O'TOOLE) was given permission to extend his remarks in the RECORD and include an address by Commissioner Carson.

Mr. SIKES asked and was given permission to extend his remarks in the RECORD and include certain editorials.

Mr. GOSSETT asked and was given permission to extend his remarks in the RECORD and include certain excerpts and editorials.

Mr. TEAGUE asked and was given permission to extend his remarks in the RECORD in two instances and include extraneous material.

Mr. THOMPSON asked and was given permission to extend his remarks in the RECORD and include an article.

Mr. DAVIS of Tennessee asked and was given permission to extend his remarks in the RECORD and include extraneous matter.

Mr. MITCHELL asked and was given permission to extend his remarks in the RECORD and include a speech by Hon. CHASE GOING WOODHOUSE.

Mr. MITCHELL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include articles in reference to the TVA and the Columbia Valley Authority, which appeared in the Portland Oregonian. I am informed by the Public Printer that this will exceed two pages of the RECORD and will cost \$1,293.75, but I ask that it be printed notwithstanding that fact.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

#### SPECIAL ORDER GRANTED

Mr. HOLIFIELD. Mr. Speaker, I ask unanimous consent that after the disposition of business on the Speaker's table and the conclusion of special orders heretofore granted, I may address the House for 10 minutes today.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

#### EXTENSION OF REMARKS

Mr. STEED asked and was given permission to extend his remarks in the RECORD and include an article on flood control.

Mr. BARTLETT asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. JACKSON of Washington asked and was given permission to extend his remarks in the RECORD and include an address by Mr. L. J. Richardson, president of the Public Utilities Commission Association.

#### ALASKA SHIPPING

Mr. JACKSON of Washington. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks and include certain material from the United States Maritime Commission.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. JACKSON of Washington. Mr. Speaker, in the first session of the Eightieth Congress, I sponsored an Interim Shipping Act known as Public Law 12, which became effective March 7, 1947, and expired on June 30, 1948.

The purpose of this legislation was twofold. First, since the economy of the Territory of Alaska is so largely dependent on the cost of transportation into the territory, the law provided a temporary subsidy by making ships available to operating companies at a dollar a year in order that freight rates might be consistent with a healthy Alaskan economy. Second, because shipping to Alaska had theretofore been largely conducted during abnormal wartime conditions, the act was to provide a period of time in which an accurate study could be made of the costs of operation of shipping companies under the agreement. It was hoped that the study would provide a yardstick for the preparation of permanent legislation.

In furtherance of these two purposes, the Maritime Commission was required, under section 2 of the law, "to report to the Congress at intervals of not greater than 90 days all contracts, charters, and other arrangements entered into pursuant to this act, and the details and source of all operations which have been conducted thereunder."

In my opinion, the Commission did not comply fully with the letter, and certainly not with the spirit of this provision of the law. They failed to report to the Congress regularly and adequately the over-all operating conditions of the companies under the act. Their reports told primarily of the arrivals and departures of their ships, which did not provide adequately, in my opinion, the yardstick which the Congress was looking for.

The operating companies under the act have been the Alaska Transportation Co.,

the Alaska Steamship Co., the Northland Transportation Co., and the Santa Ana Steamship Co.

For over a year, I have been making repeated requests of the Maritime Commission for a detailed accounting of the business activities of these four companies. Finally, in January of this year, at my urging, the Maritime Commission undertook a complete audit of the books of the four companies. Five months later, the Commission submitted to me a preliminary report, which I am submitting for the record. It includes financial statements which are in part the results of the Commission's audits of the Alaska Steamship Co. and the Northland Transportation Co., and in part the statements submitted by those companies—since the Maritime Commission had not completed its audits of all of the companies concerned—of the finances of the Alaska Terminal & Stevedoring Co., owned jointly by the Alaska Steamship Co., some of its officers and employees, and by the Northland Transportation Co., and also of the finances of the Ketchikan Wharf Co., which is wholly owned by the Alaska Steamship Co.

I am submitting, in addition, a schedule of salaries and fees paid by the four companies, as submitted by the Maritime Commission, and the financial results of operations of these companies, also as submitted by the Commission.

A reading of the report will show that there are some very substantial discrepancies between the statements submitted by the companies and the audit made by the Commission. It will be noted that in the report, the Alaska Steamship Co.'s statement showed a profit of \$678,093 before Federal income taxes, and the audit of the Maritime Commission shows a profit of \$1,348,716.64—nearly a 100-percent discrepancy.

#### The Commission states:

The principal items making up this difference of over \$670,000 are the inclusion of a profit of approximately \$180,000 from ship repairs made in the company's own yards which had been excluded in the company's presentation; a reduction of approximately \$300,000 in the amount of overhead as allocated by the company, and the exclusion by our auditors of approximately \$160,000 covering depreciation on the company's owned vessels.

In the case of the Northland Transportation, there is a discrepancy of \$8,591.69 between the company's statement and the Commission's audit. This discrepancy is not explained in the Commission's preliminary report.

I would like to invite the attention of the Congress to the fact that, in the case of the Alaska Steamship Co., ship repairs were undertaken on a cost-plus-20-percent basis. For some reason, although adequate ship-repair facilities were available in the area, the company failed to let the work out on the basis of competitive bidding. Instead, they engaged in their own ship-repair business, which netted them a substantial profit.



It will be noted from an examination of the report that the Alaska Steamship Co. and the Northland Transportation Co. did not limit their activities to shipping operations alone, but, through stock and individual ownerships, were engaged in stevedoring and ship-repair work, which netted the companies a very substantial profit on the basis of an unaudited report received by the Commission. I believe this matter should be thoroughly investigated and a complete audit made of the books of all the companies in order that the Congress be fully advised regarding these transactions.

Mr. Speaker, I have requested the chairman of the Merchant Marine and Fisheries Committee to make a thorough and complete investigation of the operations of all of the companies under the act. The chairman has assured me that the matter will be thoroughly investigated at an early date by his committee. I hope that, as a result of these hearings, the public will be fully apprised of the operations under the interim act, and, with that information, I hope that the Congress will have a better understanding of the kind of legislation which will be needed to provide adequate and proper transportation to Alaska. I wish to state that I shall not cease my activities in this matter until both the Congress and the public are satisfied that both the letter and the spirit of Public Law 12 have been complied with.

UNITED STATES MARITIME COMMISSION,  
Washington, May 17, 1949.

Subject: Alaska Steamship Co. and Northland Transportation Co. combined operations under agreement for emergency interim operation of water transportation service, to, from, and within the Territory of Alaska.

The Honorable HENRY M. JACKSON,  
Member, Appropriations Committee,  
House of Representatives.

MY DEAR CONGRESSMAN JACKSON: Pursuant to your requests, there is transmitted herewith a financial statement designated exhibit A reflecting the combined income of the Alaska Steamship Co. and the Northland Transportation Co., together with their affiliated company, the Alaska Steamship Co., Ketchikan Wharf Co., derived from operations under the emergency interim agreement.

Attention is invited to the fact that the operations of the Alaska Steamship Co. under the interim agreement embraced the period from May 1, 1947, to December 31, 1948, while the operations of the Northland Transportation Co. covered the period from June 1, 1947, to August 31, 1948.

Exhibit A, referred to above, reflects combined net profit of \$1,858,841.12 from shipping operations under the interim agreement, before Federal income tax, composed of a profit of \$1,546,735.53 applicable to operations of the Alaska Steamship Co., those of its affiliate, Alaska Terminal & Stevedoring Co., and its wholly owned subsidiary, Ketchikan Wharf Co., insofar as they relate to operations of Alaska Steamship Co., as shown on supporting schedule A-1, and a profit of \$312,105.59 applicable to operation of Northland Transportation Co. and the related portion of its affiliate, Alaska Terminal & Stevedoring Co., as reflected on schedule A-2.

From schedule A-1 it will be noted that net profit from shipping operations before Federal income tax of the Alaska Steamship Co. as computed after our audit is \$1,348,716.64. This compares with a profit of \$878,093 before Federal income taxes computed from statements submitted by the company. The principal items making up this difference of over \$670,000 are the inclusion of a profit of approximately \$180,000 from ship repairs made in the company's own yards which had been excluded in the company's presentation; a reduction of approximately \$300,000 in the amount of overhead as allocated by the company, and the exclusion by our auditors of approximately \$160,000 covering depreciation on the company's owned vessels. Attention is directed to the fact that ship repairs were charged to vessel operations at cost, plus a 20-percent profit. In its financial statements, the company had allocated this profit to other than vessel operations. In addition to the items mentioned, profits from operations of the Alaska Terminal & Stevedoring Co. in the amount of \$191,754.29 and profits of the Ketchikan Wharf Co. of \$6,264.60 are also added to the Alaska Steamship Co. income for the purpose of reflecting the total profit of the affiliated interests. The Ketchikan Wharf Co. is a wholly owned subsidiary, but in the case of the Alaska Terminal & Stevedoring Co., approximately 49 percent of the stock is owned by the Alaska Steamship Co., the remainder being held by officers or employees of Alaska and by Northland.

With respect to Northland, the profits computed from statements submitted by the company were \$179,239.39 as compared with \$187,831.08 computed by our auditors as shown on schedule A-2. For the purpose of reflecting the total income to the affiliated interests, a profit of \$124,274.51 of the Alaska Terminal & Stevedoring Co., representing the portion attributable to services rendered by that company for Northland has also been set forth and shown in the total profit accruing to Northland.

The operating results reflected on exhibit A and supporting schedules as concerns Alaska Steamship Co. and Northland Transportation Co. are the results of audits recently completed by the field staff of this office, pursuant to the terms of the emergency interim agreement, whereas the results reflected with respect to the Alaska Terminal & Stevedoring Co. and the Ketchikan Wharf Co. have not been audited by this office but reflect the results as shown on the books of account of the respective companies.

The Alaska Steamship Co. chartered 15 vessels from the Commission at the rate of \$1 per annum, which it operated together with 4 owned vessels under the emergency interim agreement. During the period of the agreement there were 83 voyages completed with chartered vessels and 70 voyages completed with owned vessels.

The Northland Transportation Co. chartered 5 vessels from the Commission at the rate of \$1 per annum, which it operated under the emergency interim agreement, together with 1 vessel (S. S. *Alaska*) assigned to it by the Alaska Steamship Co., for which no charter hire was paid to the latter. This operator completed 40 voyages with the 5 vessels chartered from the Commission and 24 voyages with the S. S. *Alaska*.

There is also attached hereto a statement designated exhibit B reflecting salaries paid, during the period of the emergency interim agreement, to officers of the Alaska Steamship Co. and to the partners of Northland Transportation Co., and the portion thereof

that is applicable to the operations of such agreement.

In the case of the Alaska operations the emergency interim agreement is the motivating instrument, whereas the ships sales demise 303 bare-boat charter agreement is the activating instrument providing the means whereby the operators were furnished with additional vessels for use in the trade. The emergency interim agreement provides, among other things, that with respect to the determination of profits and capital employed, the terms and conditions set forth in the ships sales demise 303 agreement, which were incorporated by reference in the emergency interim agreement, shall prevail except to the extent where such terms and conditions are expressly in conflict with the emergency interim agreement, in which event the terms of the latter shall prevail. The emergency interim agreement further provides, among other things, that the rights and obligations of each party thereto shall in every respect and at all times be several and not joint.

In this connection, it appears appropriate to point out that paragraph (c) of clause 30 of part II of bare-boat charter agreement ship sales demise 303 provides, among other things, that in the calculation of the cumulative net voyage profit for the purposes of determining the amount of additional charter hire payable to the owner, sums paid or payable to an interested person or related company in connection with the operation of the vessels thereunder during the period with respect to which such calculation is made shall be taken into account only if such agreements or arrangements have been approved by the owner, and then only in such amount as the owner shall deem to be fair and reasonable. In the determination of additional charter hire under that agreement, therefore, the operating results of subsidiary and affiliated companies which render service or furnish stores, supplies, equipment, materials, repairs, or facilities in connection with the operation of the vessels thereunder would normally not be consolidated with those of the operator.

In the instance of the Alaska Terminal & Stevedoring Co. our auditors found that the facilities, other than stevedoring, furnished by that company were at the going port rates. The stevedoring services rendered were in accordance with the terms of existing agreements between the Alaska Steamship Co., Northland Transportation Co., and the Alaska Terminal & Stevedoring Co., each individually. Notwithstanding this, there are several matters pertaining to this operation disclosed by the audit with which I am not satisfied, including the handling by the Alaska Steamship Co. and Northland of the stevedoring and terminal operations and ship repairs. Answers to my questions will require an analysis by our technical staff, and I am, therefore, having this done, and a further report prepared covering the results of our investigation which will be furnished you.

It is to be understood that the exhibits and schedules attached hereto reflect operating results on a combined basis to show income to an affiliation of interests and are not to be construed as representing the final determinations subsequently to be made by the Commission with respect to settlements with either the Alaska Steamship Co. or the Northland Transportation Co. in connection with their respective operations under the terms of the emergency interim agreement.

Sincerely yours,

GRENVILLE MELLEN,  
Vice Chairman.

## EXHIBIT A

UNITED STATES MARITIME COMMISSION,  
BUREAU OF FINANCE.

*Combined income sheet, Alaska Steamship Co. and Northland Transportation Co., covering operations during the period of the agreement for the emergency interim operation of water-transportation service to, from, and within the Territory of Alaska (contract No. MCc 60,018)*

Description	Combined total	Alaska Steamship Co. (schedule A-1)	Northland Transportation Co. (schedule A-2)
Terminated voyage results.....	\$3,084,101.71	\$2,452,743.87	\$631,357.84
Inactive vessel expenses.....	334,082.75	224,429.77	109,652.98
Gross profit from vessel operations.....	2,750,018.96	2,228,314.10	521,704.86
Other shipping operations.....	702,543.07	536,438.61	166,104.46
Gross profit from shipping operations before overhead and depreciation.....	3,452,562.03	2,764,752.71	687,809.32
Overhead.....	1,581,589.09	1,221,988.82	359,600.27
Gross profit from shipping operations before depreciation.....	1,870,972.94	1,542,763.89	328,209.05
Depreciation.....	73,612.73	56,333.87	17,278.86
Gross profit from shipping operations.....	1,797,360.21	1,486,430.02	310,930.19
Other income, net.....	61,480.91	60,305.51	1,175.40
Net profit from shipping operations before Federal income tax.....	1,858,841.12	1,546,735.53	312,105.59

NOTE.—See explanation with respect to above on attached schedules.

SCHEDULE A-1  
(Combined income sheet)

UNITED STATES MARITIME COMMISSION,  
BUREAU OF FINANCE.

*Alaska Steamship Co. with its wholly owned subsidiary, Ketchikan Wharf Co., and applicable portion of its affiliate, Alaska Terminal & Stevedoring Co., covering operations during the period of the agreement for the emergency interim operation of water transportation service to, from, and within the Territory of Alaska (contract No. MCc 60018)*

Description	Total	Alaska Steamship Co.	Alaska Terminal & Stevedoring Co.	Ketchikan Wharf Co.
Terminated voyage results.....	\$2,452,743.87	\$2,452,743.87	-----	-----
Inactive vessel expense.....	224,429.77	224,429.77	-----	-----
Gross profit from vessel operations.....	2,228,314.10	2,228,314.10	-----	-----
Other shipping operations.....	536,438.61	182,247.20	\$289,680.24	\$64,511.17
Gross profit from shipping operations before overhead and depreciation.....	2,764,752.71	2,410,561.30	289,680.24	64,511.17
Overhead.....	1,221,988.82	1,117,570.28	51,200.49	53,218.05
Gross profit from shipping operations before depreciation.....	1,542,763.89	1,292,991.02	238,479.75	11,293.12
Depreciation.....	56,333.87	4,682.79	46,622.56	5,028.52
Gross profit from shipping operations.....	1,486,430.02	1,288,308.23	191,857.19	6,264.60
Other income, net.....	60,305.51	60,408.41	-102.90	-----
Net profit from shipping operations before Federal income tax.....	1,546,735.53	1,348,716.64	191,754.29	6,264.60

The above reflects the combined results of the audited operations of the Alaska Steamship Co. and the unaudited operations of its affiliate, Alaska Terminal & Stevedoring Co., and its wholly owned subsidiary, Ketchikan Wharf Co. The amounts shown under caption "Alaska Terminal & Stevedoring Co." represent a pro rata portion of this affiliate's operations accruing from services rendered the Alaska Steamship Co. The above reflects only that portion of the charterer's operating results applicable to the emergency interim operation and inasmuch as unaudited results are included herein, this statement should be considered for statistical purposes only.

SCHEDULE A-2  
(Combined income sheet)

UNITED STATES MARITIME COMMISSION,  
BUREAU OF FINANCE.

*Northland Transportation Co. and applicable portion of its affiliate, Alaska Terminal & Stevedoring Co., covering operations during the period of the agreement for the emergency interim operation of water transportation service to, from, and within the Territory of Alaska (contract No. MCc 60,018)*

Description	Total	Northland Transportation Co.	Alaska Terminal & Stevedoring Co.
Terminated voyage results.....	\$631,357.84	\$631,357.84	-----
Inactive vessel expense.....	109,652.98	109,652.98	-----
Gross profit from vessel operations.....	521,704.86	521,704.86	-----
Other shipping operations.....	166,104.46	8,065.64	\$158,038.82
Gross profit from shipping operations before overhead and depreciation.....	687,809.32	529,770.50	158,038.82
Overhead.....	359,600.27	341,543.49	17,756.78
Gross profit from shipping operations before depreciation.....	328,209.05	187,927.01	140,282.04
Depreciation.....	17,278.86	1,327.47	15,951.39
Gross profit from shipping operations.....	310,930.19	186,599.54	124,330.65
Other income net.....	1,175.40	1,231.54	-56.14
Net profit from shipping operations before Federal income tax.....	312,105.59	187,831.08	124,274.51

The above reflects the combined results of the audited operations of the Northland Transportation Co., and the unaudited operations of its affiliate, Alaska Terminal & Stevedoring Co. The amounts shown under caption "Alaska Terminal & Stevedoring Co." represent a pro rata portion of this affiliate's operations accruing from services rendered the Northland Transportation Co. The above reflects only that portion of the charterer's operating results applicable to the emergency interim operation and inasmuch as unaudited results are included herein, this statement should be considered for statistical purposes only.



## EXHIBIT B

UNITED STATES MARITIME COMMISSION,  
BUREAU OF FINANCE.

Statement of salaries paid to officers of Alaska Steamship Co. and partners of Northland Transportation Co. during the period of the agreement for the emergency interim operations of water transportation service to, from, and within the Territory of Alaska (contract No. MCo 60018)

	Alaska Steamship Co., total salary		Northland Transportation Co., total salary		Total	Applicable to interim agreement	Applicable to other operations
	May 1 to Dec. 31, 1947	Jan. 1 to Dec. 31, 1948	June 1 to Dec. 31, 1947	Jan. 1 to Aug. 31, 1948			
G. W. Skinner, president and partner.....	0	\$24,000.00	\$10,500.00	\$12,000.00	\$46,500.00	\$30,554.58	\$15,945.42
R. C. Anderson, vice president and partner.....	0	24,000.00	10,500.00	12,000.00	46,500.00	27,843.52	18,656.48
D. E. Skinner, partner.....	0	0	10,500.00	12,000.00	22,500.00	19,710.34	2,789.66
William Semar, general manager.....	0	0	14,583.31	16,666.64	31,249.95	27,375.42	3,874.53
F. W. Tegtmeyer, secretary and assistant treasurer.....	0	4,500.00	0	0	4,500.00	1,016.65	3,483.35
Lawrence Bogle, vice president <sup>1</sup> .....	\$8,000.00	12,000.00	0	0	20,000.00	13,555.30	6,444.70
J. W. Baker, vice president, general manager.....	12,000.00	0	0	0	12,000.00	8,133.18	3,866.82
W. P. McCarthy, assistant treasurer.....	5,500.00	9,360.00	0	0	14,860.00	10,071.59	4,788.41

## EXECUTIVE SALARIES OF AFFILIATED AND SUBSIDIARY COMPANIES (ANNUAL RATE AT DEC. 31, 1948)

Alaska Terminal & Stevedoring Co.:		Ketchikan Wharf Co.:	
U. W. Killingsworth, president and manager.....	\$8,400	R. C. Anderson, president.....	\$0
J. P. Pressnall, secretary and office manager.....	5,520	D. E. Skinner, vice president.....	0
William Semar, vice president.....	0	U. W. Killingsworth, vice president.....	0
D. E. Skinner, vice president.....	0	W. P. McCarthy, secretary and treasurer.....	0
H. M. Stakke, treasurer.....	0		
C. F. Osborn, assistant secretary and assistant treasurer.....	0		

<sup>1</sup> Lawrence Bogle is also a member of the law firm of Bogle, Bogle & Gates, which firm received the following fees during the period of the interim agreement:

	Total	Applicable to interim agreement	Applicable to other operations
Alaska Steamship Co.....	\$89,142.58	\$60,417.72	\$28,724.86
Northland Transportation Co.....	25,622.32	22,445.54	3,176.78

Financial results of operations under contract No. USMc-C-60018 dated May 15, 1947, between U. S. Maritime Commission and Santa Ana Steamship Co., per report of audit, dated Feb. 21, 1949, prepared by U. S. Maritime Commission

1. Net profit from operations, before Federal income tax, per report of audit, dated Feb. 21, 1949.....	\$84,013.87
2. Allowable profit (10 percent per annum on capital employed).....	16,820.66
3. Additional for use of operator's own vessels (not included in item 2 above).....	( <sup>1</sup> )
4. Total allowance (item 2 plus item 3 above).....	16,820.66
5. Excess profit (item 1 minus item 4).....	67,193.21
6. Insurance claims paid by Commission (latest recorded) reimbursable by operator if excess profits (item 5) are available.....	4,920.50
7. Excess profit after insurance claims (item 5 minus item 6).....	62,272.71
8. U. S. Maritime Commission portion of excess profit (75 percent of item 7).....	46,704.53
9. Operator's portion of excess profit (25 percent of item 7).....	15,568.18
10. Total profit accruing to operator (item 4 plus item 9).....	\$32,388.58

<sup>1</sup> Not owned.

Financial results of operations under contract No. USMc-C-60018, dated May 15, 1947, between U. S. Maritime Commission and Alaska Transportation Co., per report of audit, dated Mar. 8, 1949, prepared by U. S. Maritime Commission

1. Net profit from operations, before Federal income tax, per report of audit, dated Mar. 8, 1949 (see footnote A).....	\$157,750.03
2. Allowable profit (10 percent per annum on capital employed) (deficiency capital).....	None
3. Additional for use of operator's own vessels (not included in item 2 above).....	10,102.99
4. Total allowance (item 2 plus item 3 above).....	10,102.99
5. Excess profit (item 1 minus item 4).....	147,647.04
6. Insurance claims paid by Commission (see footnote B) (reimbursable by operator if excess profits, item 5, are available).....	3,000.00
7. Excess profit after insurance claims (item 5 minus item 6).....	\$144,647.04
8. U. S. Maritime Commission portion of excess profit (75 percent of item 7).....	108,485.28
9. Operator's portion of excess profit (25 percent of item 7).....	36,161.76
10. Total profit accruing to operator (item 4 plus item 9).....	46,264.75

(A) Legal fees and expenses in the amount of \$48,740.75 have been eliminated from the net profit, for the purpose of this statement, subject to review and study by the Commission, regarding the amount thereof applicable to operations under the emergency interim agreement. Therefore, the amount of net profit indicated as item 1 hereon is subject to adjustment to the extent of the amount of legal fees and expenses as determined by the Commission to be applicable to operations under this agreement.

(B) Represents the amount of an advance by the Commission to the insurance syndicate for the payment of claims on casualty of the S. S. *Sword Knot*, Mar. 16, 1948, subject to adjustment upon final settlement of claim.

Salaries and fees, etc., paid by Alaska Steamship Co. during period May 1, 1947, to Dec. 31, 1948, Northland Transportation Co. (partnership) during period June 1, 1947, to Aug. 31, 1948, Alaska Transportation Co. during period June 1, 1947, to Aug. 31, 1948, and Santa Ana Steamship Co. during period May 1, 1947, to Aug. 31, 1948

ALASKA STEAMSHIP CO. OF NEVADA (MAY 1, 1947, TO DEC. 31, 1947) AND ALASKA STEAMSHIP CO. OF WASHINGTON (JAN. 1, 1948, TO DEC. 31, 1948)<sup>1</sup>

Name	Title	Basic annual salary		Total salaries paid during period from May 1, 1947, to Dec. 31, 1947	Total salaries charged to transportation division during period from Jan. 1, 1948, to Dec. 31, 1948	Total May 1, 1947, to Dec. 31, 1948
		May 1, 1947, to Dec. 31, 1947	Jan. 1, 1948, to Dec. 31, 1948			
<b>Executives:</b>						
G. W. Skinner.....	President <sup>1</sup> .....		\$24,000.00		\$16,000.00	\$16,000.00
R. C. Anderson.....	Executive vice president <sup>1</sup> .....		24,000.00		12,000.00	12,000.00
Lawrence Bogle.....	Vice president.....	\$12,000.00	12,000.00	\$8,000.00	12,000.00	20,000.00
D. E. Skinner.....	do. <sup>2</sup> .....		6,000.00			
V. H. Elfendahl.....	do.....		6,666.61			
U. W. Killingsworth.....	Secretary.....	4,860.00		3,240.00		3,240.00
M. H. Keil.....	Treasurer.....		12,000.00			
W. P. McCarthy.....	Assistant treasurer.....	7,800.00	9,360.00	5,200.00	9,360.00	14,560.00
R. J. Quinn.....	Assistant secretary.....	5,280.00		3,520.00		3,520.00
E. G. Dobrin.....	do.....					
C. O. Nelson.....	do.....	5,520.00		3,680.00		3,680.00
F. W. Tegtmeyer.....	Secretary and assistant treasurer.....		4,500.00		1,500.00	1,500.00
G. F. Kachlein.....	Assistant secretary.....					
L. W. Baker.....	Vice president and general manager.....	18,000.00		12,000.00		12,000.00
Total executives.....				35,640.00	50,860.00	86,500.00
<b>Employees (salaries over \$10,000):</b>						
F. W. Zeusler.....	Assistant to president.....		12,000.00		12,000.00	
Fred Zumdeick.....	Operating superintendent.....		10,800.00		10,800.00	
H. M. Peterson.....	Traffic manager.....		10,800.00		10,800.00	
Total employees.....						33,600.00
		Calendar year 1947	Basic monthly rate	Paid during period May 1, 1947, to Dec. 31, 1947		
Management fees, etc.: Skinner & Eddy Corp. <sup>3</sup> .....		\$50,000.00		\$33,333.33		33,333.33
Monthly charge covering portion of rent, light, phones, etc.: For executive department. <sup>4</sup>						
Period Jan. 1, 1948, to Aug. 31, 1948.....			500.00		4,000.00	
Period Sept. 1, 1948, to Dec. 31, 1948.....			530.00		2,120.00	
Total management fees, etc.....				33,333.33	6,120.00	39,453.33
Total salaries and fees paid by Alaska Steamship Co.....				68,973.33	90,580.00	159,553.33

NORTHLAND TRANSPORTATION CO. (PARTNERSHIP) (JUNE 1, 1947, TO AUG. 31, 1948)

Name	Title	Basic annual salary during period from June 1, 1947, to Aug. 31, 1948	Total salaries paid during period from June 1, 1947, to Aug. 31, 1948	Total, June 1, 1947, to Aug. 31, 1948
<b>Executive:</b>				
G. W. Skinner.....	Partner <sup>1</sup> .....	\$18,000.00	\$22,500.00	
R. C. Anderson.....	do. <sup>2</sup> .....	18,000.00	22,500.00	
D. E. Skinner.....	do. <sup>2</sup> .....	18,000.00	22,500.00	
Total executive.....				\$67,500.00
Employees (salaries over \$10,000): W. Semar.....	General manager.....	25,000.00	31,250.00	31,250.00
Total salaries paid by Northland Transportation Co. (partnership).....			98,750.00	98,750.00
Management fees, etc.: None.....				
Total salaries and fees paid by Alaska Steamship Co. and Northland Transportation Co., during periods May 1, 1947, to Dec. 31, 1948, and June 1, 1947, to Aug. 31, 1948, respectively.....			{ 68,973.33 189,330.00 }	258,303.33

<sup>1</sup> Alaska Steamship Co. of Nevada was acquired 100 percent by Skinner & Eddy in 1944. As of Jan. 1, 1948, Skinner & Eddy changed its own name to Alaska Steamship Co. of Washington and merged its wholly owned subsidiary with itself, the shipping company then becoming the transportation division of the new company, which it is stated is engaged in (1) brokerage of canned salmon, (2) production and sale of unrefined petroleum products in the State of Texas, and (3) acquisition and sale of real estate and timber properties and rentals thereof.

<sup>2</sup> Tabulation showing salaries drawn by G. W. Skinner, R. C. Anderson, and D. E. Skinner, during period Jan. 1, 1948, to Dec. 31, 1948, from Alaska Steamship Co. and during period June 1, 1947, to Aug. 31, 1948, from Northland Transportation Co. together:

	G. W. Skinner	R. C. Anderson	D. E. Skinner	Total
Alaska Steamship Co.....	\$16,000	\$12,000		\$28,000
Northland Transportation Co.....	22,500	22,500	22,500	67,500
Total.....	38,500	34,500	22,500	95,500

<sup>3</sup> It is understood that these fees, during the period May 1, 1947, to Dec. 31, 1947, were paid to the parent company in lieu of salaries to G. W. Skinner, president, and R. C. Anderson, executive vice president, and E. G. Dobrin, assistant secretary.

<sup>4</sup> Since Jan. 1, 1948, the executive department of the Alaska Steamship Co. has maintained an uptown office in a Seattle office building. These fees represent the transportation division's proportion of the maintenance of that office.



Salaries and fees, etc., paid by Alaska Steamship Co. during period of May 1, 1947, to Dec. 31, 1948, Northland Transportation Co. (partner-ship) during period June 1, 1947, to Aug. 31, 1948, Alaska Transportation Co. during period of June 1, 1947, to Aug. 31, 1948, and Santa Ana Steamship Co. during period May 1, 1947, to Aug. 31, 1948—Continued

## ALASKA TRANSPORTATION CO. (JUNE 1, 1947, TO AUG. 31, 1948)

Name	Title	Basic salary during period from June 1, 1947, to Aug. 31, 1948	Total salaries paid during period from June 1, 1947, to Aug. 31, 1948	Total, June 1, 1947, to Aug. 31, 1948
<b>Executives:</b>				
Norton Clapp.....	President.....	\$1,000	\$7,000.00	
Period Jan. 1, 1948, to July 31, 1948.....		\$500	500.00	
Period Aug. 1, 1948, to Aug. 31, 1948.....				
S. J. Swanson.....	Vice president and general manager.....	\$10,000	5,833.31	
Period June 1, 1947, to Dec. 31, 1947.....		\$12,000	8,000.00	
Period Jan. 1, 1948, to Aug. 31, 1948.....			210.00	
Bonus.....			500.00	
A. H. Link: Period Aug. 1, 1948, to Aug. 31, 1948.....	Treasurer.....	\$500		
Albert E. Stephan.....	Secretary.....			
John H. Murkland.....	Assistant secretary and treasurer.....			
Total salaries paid by Alaska Transportation Co.....				\$22,043.31
Employees (salaries over \$10,000): None.				
Management fees, etc.: None.				

## SANTA ANA STEAMSHIP CO. (MAY 1, 1947, TO AUG. 31, 1948)

Name	Title	Basic annual salary during period from May 1, 1947, to Aug. 31, 1948	Total paid during period from May 1, 1947, to Aug. 31, 1948	Total May 1, 1947, to Aug. 31, 1948
<b>Executives:</b> J. D. Reagh.....	President.....	\$12,000.00		
Period Mar. 1, 1947, to Sept. 30, 1947 (7 months).....			\$7,000.00	
Period Oct. 1, 1947, to Dec. 31, 1947 (3 months).....			1,000.00	
Period Jan. 1, 1948, to Feb. 29, 1948 (2 months).....				
Period Mar. 1, 1948, to Aug. 31, 1948 (5½ months).....			5,166.66	
Total salaries paid by Santa Ana Steamship Co.....				\$13,166.66
Employees (salaries over \$10,000): None.				
Management fees, etc.: None.				

† Per month.  
\* Per annum.

## EXHIBIT A

U. S. Maritime Commission financial results of operations (partially estimated and subject to audit by the U. S. Maritime Commission) by Alaska Steamship Co., Northland Transportation Co., Alaska Transportation Co., and Santa Ana Steamship Co., individually, under the provisions of contract No. USMC-c-60018, dated May 15, 1947, between the United States of America acting by and through the U. S. Maritime Commission and each of the aforementioned operators, during their respective periods of operation (based on latest available information through Feb. 2, 1947)

Item No.	Description	Total	Alaska Steamship Co., period May 1, 1947, to Dec. 31, 1948	Northland Transportation Co., period June 1, 1947, to Aug. 31, 1948	Alaska Transportation Co., period June 1, 1947, to Aug. 31, 1948	Santa Ana Steamship Co., period May 1, 1947, to Aug. 31, 1948
1	Capital employed under the agreement for the emergency interim operation of water transportation service to, from, and within the Territory of Alaska (contract No. USMC-c-60,018).....	\$8,497,153.79	\$5,658,762.00	\$2,248,600.00	\$467,701.79	\$122,090.00
2	Profit or (loss) from operations under contract No. USMC-c-60,018:					
	Terminated voyage results (schedule A-1).....	3,945,335.07	2,701,362.00	716,123.23	398,071.12	129,778.72
	Less inactive vessel expense.....	753,322.58	483,838.00	193,001.51	62,855.74	13,627.33
	Gross profit or (loss) from shipping operations.....	3,192,012.49	2,217,524.00	523,121.72	335,215.38	116,151.39
	Add net profit from terminal and other shipping operations.....	3,549.01		5,435.97		(1,886.96)
	Gross profit or (loss) from shipping operations before overhead and depreciation.....	3,195,561.50	2,217,524.00	528,557.69	335,215.38	114,264.43
	Deduct overhead:					
	Administrative and general expense.....	1,775,229.05	1,135,427.00	359,249.95	251,220.96	29,331.14
	Less agency fees and commissions earned.....	40,591.62			40,591.62	
	Management and operating commissions.....	1,734,637.43	1,135,427.00	359,249.95	210,629.34	29,331.14
	Advertising.....	10,806.00			10,806.00	
	Taxes other than Federal income tax.....	90,954.42	57,281.00	12,598.69	20,897.23	177.50
		244,685.21	229,590.00	7,480.79	3,556.25	4,052.17
		2,081,083.06	1,422,304.00	379,329.43	245,888.82	33,560.81
	Gross profit (or loss) from shipping operations before depreciation.....	1,114,478.44	795,220.00	149,228.26	89,326.56	80,703.62
	Deduct depreciation.....	170,987.57	168,142.00		1,757.74	1,087.83
	Gross profit (or loss) from shipping operations.....	943,490.87	627,078.00	149,228.26	87,568.82	79,615.79
	Add other income.....	91,898.77	55,591.00	36,307.77		
	Other deductions from income.....	11,373.33	4,576.00	6,296.64	362.61	138.08
		80,525.44	51,015.00	30,011.13	(362.61)	(138.08)
	Cumulative net voyage profit before Federal income tax.....	1,024,016.31	678,063.00	179,239.39	87,206.21	79,477.71
3	Allowable return: Based on 10 percent per annum of capital employed during the period of operations under contract No. USMC-c-60,018 (item No. 1 above):					
	Period May 1, 1947, to Dec. 31, 1948, 610/365 of \$565,876.20.....					
	Period June 1, 1947, to Aug. 31, 1948, 457/365 of \$224,860.....					
	Period June 1, 1947, to Aug. 31, 1948, 457/365 of \$46,770.18.....					
	Period May 1, 1947, to Aug. 31, 1948, 488/365 of \$12,209.....					
		1,302,130.19	945,711.00	281,537.09	58,558.84	16,323.26
4	Cumulative net voyage profit in excess of allowable return (item 2 above, less item 3 above).....	† 91,801.82	None	None	28,647.37	63,154.45

† These figures used for cross-balancing purposes only.

## U. S. Maritime Commission financial results of operations—Continued

Item No.	Description	Total	Alaska Steamship Co., period May 1, 1947, to Dec. 31, 1948	Northland Transportation Co., period June 1, 1947, to Aug. 31, 1948	Alaska Transportation Co., period June 1, 1947, to Aug. 31, 1948	Santa Ana Steamship Co., period May 1, 1947, to Aug. 31, 1948
5	Sum to be allowed each operator for use of its privately owned vessels in operations under this contract to the extent that the cumulative net voyage profits exceed such sum together with the allowable return (see art. 5 (a) of the contract).....	\$507,981.46	\$378,934.10	\$108,901.07	\$20,146.29	-----
6	Cumulative net voyage profit in excess of allowable return after deducting item 5 above.....	\$71,655.53	None	None	8,501.08	\$63,154.45
7	Marine and war risk hull insurance claims reimbursable to the Commission, to the extent that the cumulative net voyage profits exceed the sum of items 3 and 5 above.....	291,865.41	202,986.69	79,878.72	3,000.00	6,000.00
8	Cumulative net voyage profits after deducting items 3, 5, and 7 above to be distributed between the Commission (75 percent) and the operator (25 percent).....	\$62,655.53	None	None	5,501.08	57,154.45
9	Proportion of item 8 due the Commission as additional charter hire.....	46,991.65	None	None	4,125.81	42,865.84
10	Proportion of item 8 to be retained by the operator.....	15,663.88	None	None	1,375.27	14,288.61
11	Proportion of net voyage profits accruing to the operators:					
	(a) Allowable return to extent earned.....	932,214.49	678,093.00	179,239.39	58,558.84	16,323.26
	(b) Allowance for use of privately owned vessels to extent earned (item 5 above).....	20,146.29	(2)	(2)	20,146.29	None
	(c) Balance of net voyage profits to be retained by operator, if earned (item 10 above).....	15,663.88	None	None	1,375.27	14,288.61
	Total (net results to operators).....	968,024.66	678,093.00	179,239.39	80,080.40	30,611.87
12	Proportion of net voyage profits accruing to U. S. Maritime Commission:					
	(a) Marine and war risk hull insurance claims reimbursable to the Commission to the extent earned (item 7 above).....	9,000.00	-----	-----	3,000.00	6,000.00
	(b) Additional charter hire accruing to the Commission (item 9 above).....	46,991.65	-----	-----	4,125.81	42,865.84
	Total.....	55,991.65	None	None	7,125.81	48,865.84
13	Total cumulative net voyage profit (item 2).....	1,024,016.31	678,093.00	179,239.39	87,206.21	79,477.71
14	Net result to Commission under the agreement:					
	(a) Basic charter hire.....	26.00	15.00	5.00	5.00	1.00
	(b) Additional charter hire (item 12 (b) above).....	46,991.65	-----	-----	4,125.81	42,865.84
	(c) Marine and war risk hull insurance claims unreimbursed (not earned).....	\$ (282,865.41)	\$ (202,986.69)	\$ (79,878.72)	-----	-----
	Total.....	\$ (235,847.76)	\$ (202,971.69)	\$ (79,873.72)	4,130.81	42,866.84

1 These figures used for cross-balancing purposes only.

2 Not earned.

3 Parentheses denote red figures.

## SCHEDULE A-1

## Alaska Steamship Co. vessel operating statement for the period June 1947 to December 1948

[Service and type of vessel: Alaska—combination passenger and dry cargo. Number of voyage terminations: 71. Number of miles traveled: 234,356. Number of voyage days: 1,196. Days at sea: 733. Days in port: 463]

	Outward	Intermediate	Inward	Total
Number of passengers carried:				
First-class.....	9,726	3,164	6,749	19,639
Third-class.....	5,704	622	3,152	9,478
Total.....	15,430	3,786	9,901	29,117
Number of freight payable tons carried.....	60,477.9	2,781.3	24,540.0	87,799.2
(600) Operating revenues—Terminated voyages:				
Freight.....	\$1,663,437.60	\$43,613.79	\$350,657.68	\$2,057,709.07
Passenger.....	1,090,594.64	105,986.41	708,063.68	1,904,644.73
United States mail.....	591,617.96	17,294.65	119,928.34	728,840.95
Other.....	-----	-----	24,058.43	24,058.43
Total.....	3,345,650.20	166,894.85	1,202,678.13	4,715,223.18
(700) Operating expense:				
Terminated voyages:				
Vessel expenses:				
Wages.....	-----	-----	\$1,530,639.23	
Subsistence.....	-----	-----	666,483.60	
Stores, supplies, equipment.....	-----	-----	231,762.80	
Maintenance.....	-----	-----	79,432.38	
Fuel.....	-----	-----	606,282.96	
Repairs.....	-----	-----	278,637.05	
Insurance, protection and indemnity.....	-----	-----	90,384.38	
Insurance, other.....	-----	-----	21,037.13	
Charter hire.....	-----	-----	2.00	
Other vessel expense.....	-----	-----	37,029.16	
Total vessel expense.....	-----	-----		\$3,541,690.69
Port expense:				
Wharfage and dockage.....	-----	\$34,366.17	-----	
Other port expense.....	-----	17,880.92	-----	
Cargo expenses:				
Stevedoring.....	-----	622,052.88	-----	
Other cargo expense.....	-----	20,502.62	-----	
Brokerage expense:				
Freight.....	-----	3,905.18	-----	
Passenger.....	-----	15,907.82	-----	
Other voyage expense.....	-----	6,606.06	-----	
Total voyage expense.....	-----	-----	6,606.06	\$721,221.65
Total vessel operating expense.....	-----	-----	-----	4,262,912.34
Direct profit from vessel operations (carried forward).....	-----	-----	-----	452,310.84



*Alaska Steamship Co. vessel operating statement for the period June 1947 to December 1948—Continued*

[Service and type of vessel: *Alaska*, dry cargo. Number of voyage terminations: 82. Number of miles traveled: 308,423. Number of voyage days: 4,141. Days at sea: 1,269. Days in port, 2,872]

	Outward	Intermediate	Inward	Total
Number of passengers carried, first class.....	13	32	4	49
Number of freight payable tons of cargo carried.....	312,323.0	13,904.7	197,185.1	523,412.8
(600) Operating revenues—Terminated voyages:				
Freight.....	\$5,569,893.59	\$177,334.13	\$2,611,723.86	\$8,358,951.58
Passenger.....	875.25	462.14	330.00	1,667.39
United States mail.....	25,072.88	1,393.09	2,059.83	28,525.80
Per diem charter.....	67,903.12			67,903.12
Other.....			26,964.61	26,964.61
Total.....	5,663,744.84	179,189.36	2,641,078.30	8,484,012.50
(700) Operating expense:				
Terminated voyages:				
Vessel expense:				
Wages.....			\$1,919,826.18	
Subsistence.....			446,679.80	
Stores, supplies, and equipment.....			343,864.90	
Maintenance.....			51,751.75	
Fuel.....			346,171.62	
Repairs.....			421,942.29	
Insurance, protection and indemnity.....			225,520.08	
Insurance, other.....			53,504.85	
Charter hire.....			24.00	
Other vessel expense.....			26,237.04	
Total vessel expense.....				\$3,835,522.51
Port expense:				
Wharfage and dockage.....		\$110,406.10		
Other port expense.....		79,537.48		
			\$189,943.58	
Cargo expense:				
Stevedoring.....		2,077,757.32		
Other cargo expense.....		122,709.50		
			2,200,466.82	
Brokerage expense:				
Freight.....		3,254.90		
Passenger.....				
			3,254.90	
Other voyage expense.....		5,773.66		
			5,773.66	
Total voyage expense.....				2,399,438.96
Total vessel operating expense.....				6,234,961.47
Direct profit from vessel operations.....				2,249,051.03
Brought forward.....				452,310.84
Total direct profit from vessel operations.....				2,701,361.87

*Northland Transportation Co. vessel operating statement for the period June 6, 1947, to Aug. 18, 1948*

[Service and type of vessel: Freight and combination. Number of voyage terminations: 65. Number of nautical miles traveled: No record. Number of voyage days: 1,753. Days at sea: No record. Days in port: No record]

(600) Operating revenue—terminated voyages:				
01 Freight, foreign.....				0
05 Freight, coastwise and intercoastal.....				\$3,278,193.61
08 Passenger, foreign.....				0
12 Passenger, coastwise and intercoastal.....				400,390.86
15 United States mail, foreign.....				0
16 United States mail, coastwise and intercoastal.....				75,299.51
17 Foreign mail.....				0
19 Ad valorem.....				0
20 Charter revenue.....				0
24 Other voyage revenue.....				3,848.71
Total vessel operating revenue.....				3,757,732.69
(700) Operating expense, terminated voyages:				
Vessel expense:				
01 Wages.....			\$1,176,616.16	
10 Subsistence, purchased domestic.....			311,950.85	
14 Subsistence, purchased foreign.....			0	
15 Stores, supplies, and equipment, purchased domestic.....			167,442.68	
24 Stores, supplies, and equipment, purchased foreign.....			0	
25 Other maintenance expense.....			50,441.48	
35 Fuel.....			283,603.88	
40 Repairs, performed domestic.....			136,595.27	
49 Repairs, performed foreign.....			0	
65 Insurance, hull and machinery.....			0	
67 Insurance, protection and indemnity.....			54,430.32	
69 Insurance, other.....			28,431.12	
60 Charter hire.....			5.00	
64 Other vessel expense.....			63,456.21	
Total vessel expense.....				2,272,972.97
Port expense:				
65 Agency fees and commissions.....		0		
70 Wharfage and dockage.....		\$5,059.23		
79 Other port expenses.....		34,101.53		
			\$39,160.76	
Cargo expense:				
80 Stevedoring.....		647,665.01		
89 Other cargo expense.....		31,996.43		
			679,661.44	
Brokerage expense:				
90 Freight.....		0		
93 Passenger.....		8,312.37		
			8,312.37	
Other voyage expense:				
95 Canal tolls.....		0		
99 Other voyage expense.....		41,501.92		
			41,501.92	
Total voyage expense.....				768,636.49
Total vessel operating expense.....				3,041,609.46
Direct profit from vessel operations.....				716,123.23

*Alaska Transportation Co. vessel operating statement for the period June 5, 1947, to Aug. 3, 1948, under contracts U. S. Maritime Commission C-60018 and C-60476*

[Service: Southeastern and southwestern Alaska routes, freight and passenger. Number of voyage terminations: 50. Number of nautical miles traveled: 131,274. Number of voyage days: 1,314. Days at sea: 556. Days in port: 758]

	Outward	Intermediate	Inward	Total
Number of passengers carried, first class.....	718	129	536	1,383
Number of freight payable tons of cargo carried.....	103,529.0	3,347.8	61,511.7	168,388.5
(600) Operating revenue—terminated voyages:				
05 Freight.....	\$1,547,455.78	\$39,933.02	\$646,940.64	\$2,234,329.44
12 Passenger.....	51,642.55	2,648.95	39,917.50	94,209.00
16 United States mail.....	27,547.54	255.06	1,017.09	28,819.69
24 Other voyage revenue.....	5,454.14			5,454.14
Total vessel operating revenue.....	1,632,100.01	42,837.03	687,875.23	2,362,812.27
(700) Operating expense, terminated voyages:				
Vessel expense:				
01 Wages.....			\$748,070.31	
10 Subsistence, purchased domestic.....			136,625.12	
15 Stores, supplies, and equipment, purchased domestic.....			83,111.29	
25 Other maintenance expense.....			59,742.70	
35 Fuel.....			137,831.84	
40 Repairs, performed domestic.....			43,790.32	
55 Insurance, hull and machinery.....			1,124.61	
57 Insurance, protection and indemnity.....			51,940.61	
59 Insurance, other.....			13,268.40	
60 Charter hire.....			8.00	
64 Other vessel expense.....			2,709.95	
Total vessel expense.....				\$1,298,223.15
Port expense:				
65 Agency fees and commissions.....		\$30,005.95		
70 Wharfage and dockage.....		4,898.12		
79 Other port expenses.....		31,867.12		
			\$66,771.19	
Cargo expense:				
80 Stevedoring.....		540,693.18		
89 Other cargo expense.....		50,529.00		
			591,222.18	
Brokerage expense:				
90 Freight.....				
93 Passenger.....		2,948.52		
			2,948.52	
Other voyage expense:				
95 Canal tolls.....		4,263.34		
99 Other voyag. expense.....		1,312.77		
			5,576.11	
Total voyage expense.....				666,518.00
Total vessel operating expense.....				1,964,741.15
Direct profit (or loss) from vessel operations.....				398,071.12

*Santa Ana Steamship Co. vessel operating statement*

VESSEL—"COASTAL RIDER"

	Mar. 4 to Dec. 31, 1947	Jan. 1 to Oct. 31, 1948	Total
Voyages (Seattle to Goodnews Bay and Bethel, Alaska, and return):			
Trips.....	2	1	3
Nautical miles.....	8,500	4,250	12,750
Voyage days:			
At sea.....	62	30	92
In port.....	46	29	75
Payable tons of freight.....	6,305	3,513	9,818
Operating revenues, terminated voyages.....	\$219,835.08	\$115,437.41	\$335,272.49
Operating expenses:			
Vessel expenses:			
Wages.....	48,862.71	29,451.24	78,313.95
Subsistence.....	10,560.41	5,392.51	15,952.92
Stores, supplies, and equipment.....	9,089.11	4,875.24	13,964.35
Other maintenance expense.....	280.90	479.17	760.07
Fuel.....	17,035.31	(10,165.40)	6,869.91
Repairs.....	1,993.15	17,686.63	19,679.78
Insurance:			
Hull and machinery.....	175.00	643.49	818.49
Protection and indemnity.....	3,174.50	6,072.16	9,246.66
Other.....	1,160.36	4,908.91	6,069.27
Charter hire (basic only).....	1.00	1.00	2.00
Other vessel expense.....	576.24	548.56	1,124.80
Total.....	92,908.89	59,890.51	152,799.40
Port expenses:			
Agency fee.....	500.00	250.00	750.00
Other port expenses.....	6,126.71	3,140.69	9,267.40
Total.....	6,626.71	3,390.69	10,017.40
Cargo expenses:			
Stevedoring.....	20,937.98	11,931.02	32,869.00
Other cargo expenses.....	3,875.59	3,347.24	7,222.83
Total.....	24,813.57	15,278.26	40,091.83
Other voyage expenses.....	1,434.93	1,150.21	2,585.14
Total vessel operating expenses.....	125,784.10	79,709.67	205,493.77
Direct profit from vessel operations.....	94,050.98	35,727.74	129,778.72



## EXTENSION OF REMARKS

Mr. HINSHAW asked and was given permission to extend his remarks in the RECORD and include the remarks of Hon. Oswald Ryan on the occasion of his third induction as a member of the Civil Aeronautics Board.

## "ALL THAT GLITTERS IS NOT GOLD"

Mr. HILL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. HILL. Mr. Speaker, recently the Senate Banking and Currency Committee became bored when consideration of a bill to provide for a world free market in gold was before it. Shades of William Jennings Bryan and his historic Cross of Gold oratory! The market for gold is far from free in this country. It is illegal to have in one's possession monetary gold.

In the 456 years since Columbus discovered America the value of the gold mined in the world has been \$40,000,000,000. Beginning next July 1, the Federal Government plans to spend forty-five billions. The United States has twenty-four billions of the present gold, most of it stored underground at Fort Knox, and it represents only a little more than half of a single year's cash spending by the Federal Government. With the price of gold pegged at \$35 an ounce, most gold miners say they cannot dig it for that. As it is, the money supply now totals one hundred and sixty-six billions—four times what it was in 1933, when we went off the gold standard—and the whole economy of this country is set up on a new high scale. That is why the Government feels able to swing a volume of annual spending greater than the whole national income in 1933. Credit must have been one of the greatest inventions of all times.

## GERHART EISLER

Mr. BROWN of Ohio. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BROWN of Ohio. Mr. Speaker, yesterday this House approved a bill appropriating more than \$5,000,000,000 to be expended as aid, financial and otherwise, for the benefit of foreign countries. Included in yesterday's House-approved bill was an item of nearly \$1,000,000,000 for Great Britain—to support the economy and the government of that nation.

This morning an official of the British Government refused to turn over to the United States authorities a fugitive from American justice—Gerhart Eisler—a known Communist who has been engaged in efforts to overthrow our Government.

What gratitude! What a shining example of international cooperation! What a great demonstration of appreciation by the British Government of the

sacrifices we have been making to aid the British people.

Can it be that the British, too, are not interested in catching "red herrings," or in putting them where they belong?

## CENTRAL VALLEY, CALIF., POWER DEVELOPMENT

Mr. WELCH of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include an editorial.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WELCH of California. Mr. Speaker, the following editorial will be appreciated by all who sincerely believe in the great Central Valley multiple hydroelectric power development well on its way to completion by the Federal Government for the primary benefit of farmers, irrigationists, and water users in the Central Valley project area of California:

[From the San Francisco (Calif.) News of May 21, 1949]

## GOVERNOR URGED TO BOOST RECLAMATION

Congressman RICHARD WELCH, of San Francisco, expressly called upon Governor Warren to exert his influence with the California congressional delegation to support the United States Bureau of Reclamation in water and power development in this State.

Such a policy would be in line with the findings of the Hoover Commission which held that the United States Army Engineer Corps withdraw from all projects primarily concerned with conservation, including power development.

Governor Warren, in a recent speech at Los Angeles, declared western power development in the hydroelectric field must be chiefly by public agencies because the necessity of water conservation requires multiple use of water resources. Private capital, he pointed out, cannot undertake the large expenditures involved in such development.

The Bureau of Reclamation is concerned primarily with water, land, and wildlife conservation. In promotion of these aims it seeks to encourage wider use of lands for food production by providing irrigation water for otherwise arid areas. To make irrigation water as cheap as possible for farmers it develops power generation facilities in connection with water storage. Sale of the electric power helps recover the cost of the projects and hence reduces the proportion of cost that must be repaid from sale of irrigation water.

This is essentially the difference between projects built by the reclamation service and those constructed by the United States engineers.

Although the Governor, in his Los Angeles speech, did not specifically link the Bureau of Reclamation with the public power development he recommended, it was clear from his remarks that he had that in mind. The Army engineers, in projecting "flood control" dams high up in the Sierra cannot assure multiple purpose development. Nor can they recover costs of the construction. Therefore, they are incapable of accomplishing the kind of development Governor Warren advocates.

We believe Representative WELCH is justified in asking the Governor to exert his official influence in Washington to secure support for the water and power program of the Bureau of Reclamation. That program is essentially included in the Central Valley project, whose completion is so vital to the future welfare of California.

## COMMUNISM AT HOME AND ABROAD—GERHART EISLER

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, the British courts seem to be becoming as pro-Communist as our Atomic Commission.

On yesterday, while some of the Members of Congress were falling over themselves to appropriate billions of dollars to give Great Britain, out of the American taxpayers' pockets, the courts of that country were releasing Gerhart Eisler, probably the most dangerous Communist who ever plotted the overthrow of this Government.

I was on the Committee on Un-American Activities when Gerhart Eisler was brought before it. He refused to be sworn on the ground that he claimed to be a refugee from persecution. Almost immediately, a Negro by the name of Nowell, an ex-Communist took the stand. He said that the Communists had sent him to Moscow to a school of revolution where they were being taught how to overthrow this Government. It got so bad that Nowell quit the Communist Party, turned state's evidence, and told the whole story to the committee.

We asked him if he had ever seen Gerhart Eisler before. He said, "Oh, yes; he was an instructor in that school of communism in Moscow all the time I was over there."

I realize that the British will probably come back and say that we have no right to criticize them so long as our Atomic Commission educates Communists at Government expense, but I wanted to express my disappointment at this interference on the part of the British courts.

## DOG IN THE MANGER

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, most of the Members of the House when going from the Capitol over to the office buildings have noticed the contractor's preparations for repair of this Chamber, and noticed the barriers put down where we used to park our cars. I cannot help but think of two old adages: One was about the dog in the manger, and the other was about the old hog first getting his feet in the trough.

The Capitol faces New Jersey Avenue. The House Office Buildings stand on the south side of B Street, which runs east and west. On our way from the Capitol to our offices and before we reach B Street, we find a curving street running from New Jersey to the west, and off this curving street is another very short street

running to the southwest and ending in B Street.

Over the years it has been customary for reporters, for secretaries, for Congressmen, and those having business at the Capitol or in the House Office Buildings to park their cars on each side of those two curving streets, both being one-way streets.

Many of us have noted the elaborate preparation of the contractor for the construction work he is about to do on the Capitol. For the last week or two he has been trying to monopolize these two streets where so many park their cars. Like the old hog, he has got his feet in the trough; like the dog in the manger, he is preventing the use of space which he cannot and does not himself use. First he had the policemen tell people not to park on portions of these two curving streets.

I talked to Mr. Lynn, the Architect of the Capitol, about the situation; he did not know anything about it; and to Mr. Callahan, the Sergeant at Arms. Mr. Callahan said: "Park your car over there where you and others have always been accustomed to park."

The contractor was not content with having the policeman order folks not to park their cars on these two streets. He or someone in his interest put up barriers which occupy the places where individuals formerly parked. So what have we? We have a contractor hogging space on two public streets which he does not use, which he cannot use, and where the only result is for him to get his feet in the trough when he cannot, as did the old hog, drink the swill therein.

It is seldom that one sees the like of such selfishness, but he probably has a cost-plus contract and perhaps the taxpayers will find him charging for putting out and removing these yellow barriers which accomplish nothing except to prevent people parking their cars in a place which he—I repeat—does not and cannot use.

Will the Custodian of Public Grounds or Joe Callahan kindly get those barriers out of the way so that people having business in the Capitol, in the House Office Buildings, can use the space which no one else is using, but on which whoever put out those yellow barriers, is just squatting? That will give those who have business at the Capitol and with their Congressmen an opportunity to use available space which is not needed by the contractor.

I know it is a popular peacetime sport to kick Congressmen around and see if you can get something on them and interfere with their necessary activities, but why in the world that contractor can put those barriers up there and not use the space, I cannot understand. To me it is just plain "dog in the manger."

#### EXTENSION OF REMARKS

Mr. REED of New York asked and was given permission to extend his remarks in the Appendix of the RECORD.

Mr. NIXON asked and was given permission to extend his remarks in the Appendix of the RECORD in three separate instances and include extraneous material.

Mr. SADLAK asked and was given permission to extend his remarks in the Appendix of the RECORD in two separate instances and in each to include an editorial.

Mr. BOGGS of Delaware asked and was given permission to extend his remarks in the Appendix of the RECORD in two separate instances and in each to include extraneous material.

Mr. MILLER of Nebraska (at the request of Mr. STEFAN) was given permission to extend his remarks in the RECORD on the subject Establishment of National Medical Care Investigation Commission.

Mr. HOFFMAN of Michigan asked and was given permission to extend his remarks in the Appendix of the RECORD and include two editorials.

Mr. KEATING asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

Mr. SADOWSKI asked and was given permission to extend his remarks in the Appendix of the RECORD in three separate instances and in each to include extraneous material.

Mr. HOLIFIELD asked and was given permission to extend his remarks in the Appendix of the RECORD and include three small articles.

#### SPECIAL ORDER GRANTED

Mr. KEEFE asked and was given permission to address the House for 30 minutes on Thursday next after disposition of matters on the Speaker's desk and at the conclusion of any special orders heretofore entered.

#### SPECIAL ORDER

The SPEAKER. Under previous order of the House, the gentleman from Wisconsin [Mr. BIEMILLER] is recognized for 15 minutes.

(Mr. BIEMILLER asked and was given permission to revise and extend his remarks and include certain statements by J. Donald Kingsley, Acting Federal Security Administrator.)

#### THE PRESIDENT'S HEALTH PROGRAM

Mr. BIEMILLER. Mr. Speaker, the American Medical Association has been attacking President Truman's program for national health insurance as a proposal for socialized medicine or state medicine.

Some very interesting comments on this viewpoint were made this week before a subcommittee of the Senate Committee on Labor and Public Welfare by J. Donald Kingsley, Acting Federal Security Administrator.

Mr. Kingsley expressed the view that this proposed legislation is the way to avoid state medicine instead of the way to get it. I would like to quote briefly from his statement:

At the outset, however, I want to stress the conviction that unless a comprehensive system of prepayment such as that provided in S. 1679 is established, it will be impossible to meet the Nation's medical needs without an ever-increasing measure of state medicine.

The extent to which Government already is involved in the direct provision of medical care to individuals is often overlooked. I am afraid, in our zeal to identify our system for the care of the sick with our busi-

ness system of private enterprise. Perhaps it would be more useful to our purpose if we were to face frankly the fact that medical care does not rest upon the same basis at all. Incidentally, I think it would be far fairer to private enterprise.

By its very nature medical care is uneconomic. In modern times, it has never rested on the rule of the market place, because the public interest has required that illness be treated somehow, whether the individual could afford it or not. But while we never have relied inclusively upon the rule of supply and demand, neither have we worked out a rational and reliable substitute for it which would provide a sound economic basis for our medical system. Instead, medical care has been financed, from the earliest times, in a haphazard way. From the beginning, the economic basis of medicine has been a loosely defined triple standard: First, a rough-and-ready sliding scale of prices for the well-to-do, depending upon how well-to-do and adjusted arbitrarily in individual cases by the physician or the hospital; second, private charity in various forms, both organized and unorganized, for the medically indigent, meaning those who are self-supporting except in emergency; and, third, Government medicine and various forms of public charity for the poor. It is a makeshift system that "just grows."

In spite of these catch-as-catch-can financial arrangements, the medical profession has made remarkable progress. This is not a tribute to the system of payment, however, but to the devotion of the medical profession and to our national readiness to improvise. In this case, we appear to have improvised ourselves into a situation that almost nobody likes.

Without a workable economic base upon which the private practice of medicine and our voluntary hospital system could improve and expand at a pace consistent with the advance of medical knowledge and general social standards, we have turned over to Government a greater and greater share of responsibility. Almost all of our improvisation, in fact, has been in this direction, until today some 24,000,000 citizens are receiving various kinds and degrees of medical care from the Federal Government alone, according to the Hoover Commission.

Today, Government owns and operates three-quarters of all the hospital beds in the United States. Government employs directly thousands of American doctors and pays fees to many more. In Government hospitals and with doctors on the public pay roll in whole or in part, the taxpayers finance full medical care for all members of the armed forces and their dependents and for all veterans with service-connected disabilities; hospital care for all needy veterans and for merchant seamen; and complete care for tubercular, mental and other chronic patients. Government pays the cost of limited medical care for those on public relief rolls. In addition, the taxpayers carry the full load in that vast field of medical service known as public health, and provide large sums to support medical research and education.

If you add all this up, you will find that Government today is providing a large share of the total cost of medical care for a substantial proportion of the people, and that it is doing so in very large measure through state medicine, in the strictest sense of the term. Furthermore, it is evident that the acceleration of this development in recent years has been phenomenal. There is no reason to suppose that it can be halted by any partial or makeshift expedient.

It seems to me that the implications of this are starkly clear. I sincerely believe that we have gone so far along this road, impelled by irresistible circumstance rather



than by any design, that the real issue is already quite different than it is usually presented. The real issue as I see it is not between voluntary, private health insurance and a national system based on our social insurance experience, but rather between national health insurance and state medicine. I say this not because I am opposed to voluntary insurance, for I am not, but because I am firmly and honestly convinced that nothing short of the social insurance method can prevent the further—and eventually the complete—substitution of state for private medicine. On the other hand, I believe that social insurance can prevent it, because it would establish exactly the thing that has always been lacking and which has rendered private medicine incapable of doing the full job. That is, a sound, firm, reliable economic foundation upon which private medicine can expand and flourish.

Mr. Kingsley then gave the reasons why voluntary health insurance cannot provide the kind of medical care the Nation needs and therefore cannot stop the advance of state medicine. He said in part:

One difficulty with voluntary health insurance is that it costs too much for most people to buy, and it cannot pay its own way on lower premiums. Since the AMA's recent conversion, we are told that health insurance has made gigantic strides and now affords protection to 52,000,000 Americans, or one-third of the Nation. This may be true. But the question arises, What are they protected against? And the answer is that less than 2½ percent have anything even approaching the comprehensive protection that is provided for S. 1679. Other voluntary insurance subscribers have protection ranging from next to nothing under policies with a great deal of fine print, to limited protection under several different policies for hospital, surgical, and medical care. The cost is in proportion to protection, and it is not cheap; if it were, far more than a third of the people might be expected to buy such little packages.

Another pertinent question would be, Who is protected under voluntary insurance? As with the distribution of medical personnel and facilities, so it is with voluntary insurance policies; you find them where the money is, not where the need is greatest. Most voluntary insurance policies are issued by Blue Cross hospitalization plans—the AMA says 32,000,000 of them—providing limited insurance for hospital care only. About 60 percent of these policies are held by citizens of six rich industrial States which contain about 36 percent of the total population of the United States. Only about 17 percent of Blue Cross members live in Southern and Western States with 43 percent of the population. Less than 3 percent of the rural population belong.

Even granting the validity of the AMA's own figures, which have not been noted for objectivity in this regard, two-thirds of our people have no protection of any kind under voluntary insurance. And this after 20 years of intensive advertising and selling.

It may be that by helping to defray the administrative costs out of taxes, by subsidizing the coverage of those who cannot or will not pay the premiums, and by appropriating public funds for a high-pressure advertising campaign, it would be possible to bring most of the population eventually into these privately controlled plans. This, of course, would achieve the same result as social insurance, but it would be infinitely more costly and would raise serious questions of public policy. Anything short of this, however, would fail to meet the problem and probably would lead only to greater acceleration of the trend toward state medicine.

On this score, I agree with the conclusion that was reached years ago by the American Medical Association, that, if we are going to adopt any form of health insurance, we should go all the way and embrace compulsory national health insurance. They contended then, as we do now, that experience in other countries had proved that voluntary insurance was totally inadequate and could not be otherwise.

Mr. Kingsley concluded his testimony with a strong affirmative explanation of the way national health insurance would benefit the country. He said:

S. 1679, on the other hand, offers a real and lasting solution to all of the major problems I outlined at the opening of this discussion. First, it takes full cognizance of the shortages which exist today in medical manpower and facilities, the extent and seriousness of which are known, and makes provision for Federal assistance to the States on a scale sufficient to meet them. This will help to wipe out the great accumulated deficit of supply which has resulted inevitably from the inability of our people to buy the medical care they should have.

As I suggested, however, the finest medical service is of little value, no matter where or in what amount, unless it can be maintained economically. Title VII of S. 1679 deals with this problem in the only effective way I know, by applying the method of social insurance which we have tried and tested for more than a dozen years.

By this method, it would establish a firm, dependable economic foundation under the whole structure of private medical practice. It would result in the establishment and the effective maintenance of doctors, hospitals and all other health personnel and facilities wherever they were justified by the number, not the wealth, of prospective patients. For the first time, it would make it worth while for doctors to use their talents where they are most urgently needed. No longer would the doctor be forced to hold a stethoscope upon the patient's heart and pocketbook at the same time, and adjust his fees accordingly. No longer would he feel compelled to reserve the prescription of expensive treatments and drugs, regardless of their effectiveness, to those whose wealth permits their use. Instead, he would be completely free, for the first time, to consider each patient solely on the basis of professional judgment and not with the appraisal of a bill collector.

As for the patient, no longer would he be compelled to consider the cost of illness first and its consequences later. No longer would he feel hesitant, for fear of the cost, about going to the doctor at the first sign of illness, and thereby reaping the incalculable benefits of modern preventive medicine.

It is hardly necessary for me, Mr. Chairman, to picture for you all the endless chain of beneficial results which would flow automatically from the mere fact that, upon the enactment of this bill, almost all of the people in the United States would have the purchasing power with which to buy all the medical care they need.

But still there are those who fear this program, who contend that it would regiment the doctor, interfere with the freedom of the patient, destroy the standards of medical care, and lead to socialism.

I submit that these are fearful phantoms, and that not a single one of them could possibly materialize under the terms of this bill. These terms are explicit and plain. Its administrative provisions guarantee the widest decentralization of authority, with full representation of both doctors and laymen. They assure that the most important decisions affecting doctors and patients will

be determined by their own local representatives, in their own communities. And to make the assurance doubly binding, the bill specifically spells out and guarantees all the freedoms which we are told it would take away.

It seems plain to me that only by this method of social insurance can we effectively shore up our voluntary hospitals and our system of private medical practice, and forestall the need for a further extension of state medicine. We are moving fast in that direction, and I sincerely hope that the President's program will not be delayed too long.

Mr. Speaker, I hope those who have been disturbed by the charge that the President is proposing socialized medicine will give thought to Mr. Kingsley's arguments, because it seems to me that they soundly refute such charges. The supporters of this legislation firmly believe it will not only strengthen our medical care, but will strengthen our American system. That is why the gentleman from Michigan, Congressman DINGELL, and I have introduced H. R. 4312 and H. R. 4313—companion bills to S. 1679.

Mr. KEEFE. Mr. Speaker, will the gentleman yield?

Mr. BIEMILLER. I yield to the gentleman from Wisconsin.

Mr. KEEFE. I have asked for time to speak on a certain subject next Thursday, may I say to the distinguished gentleman from Wisconsin, and I shall take that time to bring to the attention of the House and the gentleman from Wisconsin some of the background thinking of Mr. J. Donald Kingsley, who expressed the opinion of the administration on national health insurance, that somehow seems to have escaped the public press and has evidently escaped the attention of the gentleman, because at that time I shall bring his own statements, his own books, his own writings to the Congress to demonstrate clearly by his own statements that he believes in socialized medicine, using the language "socialized medicine" just as I have stated it here, and that he believes there is no possibility of our having a system of proper health service without nationalization of hospitals and free public clinics all over America.

In view of the fact that he has stated his approval, as I understand it, of the statements made by J. Donald Kingsley before the Senate committee, may I ask the gentleman from Wisconsin whether or not he believes in a system of nationalization?

Mr. BIEMILLER. I shall be very happy to answer the question raised by my colleague from Wisconsin. I have repeatedly stated in many instances that I do not believe in the nationalization of hospitals; that I do not believe in the nationalization of medicine; that I do not want a system of socialized medicine, and that is why I am proud to be one of the sponsors of the President's health program.

Mr. KEEFE. Then may I say to the gentleman, I think he will get a great deal of enlightenment out of the statements which I shall present for his edification and the edification of the Congress and the public generally as to the attitude of the man who would most

largely be called upon to handle and supervise and administer the program which the gentleman advocates.

Mr. BIEMILLER. I shall be very happy to listen to the gentleman from Wisconsin next week.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. BIEMILLER. I am happy to yield to the distinguished majority leader, the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Might I suggest to my friend, the gentleman from Wisconsin [Mr. KEEFE] that it will be also very interesting, and I shall sit here with pleasure listening to him to find out if he breaks down the economic set-up of the families of America, which is the basis of any sound society and sound government, the home life and the family life, and if he will talk about the 12 percent of the families of America whose total income is \$1,000 a year or less, and about the 17 percent of the families of America whose total income is between \$1,000 and \$2,000, and of the 21 percent of the families of America whose total income is between \$2,000 and \$3,000 a year, the 50 percent of the families of America, embracing over 70,000,000 of our people, the backbone of our country, and what their plight is when they have sickness in the families of their loved ones. Their loved ones are just as near and dear to them as my loved ones are when there is serious illness in my family, or even slight illness. I want the best medical care possible for my loved ones. I have taken no position publicly, because I am sufficiently experienced in legislation, after 21 years in this body to know that legislation, as it should be in a democracy, is a series of compromises. I helped draft the Social Security Act in 1935, and I was called a Socialist, because I favored it. And it originated in the State of the gentleman from Wisconsin, in the mind of the late Senator Robert La Follette, Sr., who, in his day, when I was a youngster in New England, was called the most sinister figure in America. But he was really one of the great progressives of America. The things that he advocated were condemned as vicious radicalism and socialism and everything else, yet they have become law, and are now orthodox conservatism. I hope my friend will discuss that, and also discuss what we should do and what steps we should take in order to try and solve the problem of economic insecurity facing over 70,000,000 fine Americans and 50 percent of the family life of America.

Mr. BIEMILLER. I thank my very good friend, the distinguished gentleman from Massachusetts, for his contribution. The people of Wisconsin will appreciate his tribute to our beloved statesman, the late Senator Robert M. La Follette, Sr. I want to advise the House, as I think most of the Members know, that at the present time a subcommittee of the Committee on Interstate and Foreign Commerce, whose chairman is the distinguished gentleman from Tennessee [Mr. PRIEST], is holding hearings on the President's national health program in an effort to accomplish exactly the process to which the gentleman from Massa-

chusetts referred. It will be our endeavor to get the best advice possible from everyone, and work out the most suitable bill we can.

Mr. KEEFE. Mr. Speaker, will the gentleman yield further?

Mr. BIEMILLER. I yield.

Mr. KEEFE. I will say in response to the statement made by my friend, the gentleman from Massachusetts [Mr. McCORMACK] that he does not have to tell me anything about the work of the late senior Senator from Wisconsin, the Honorable Robert M. La Follette, and I am very familiar with the fact, as one who learned at his footstool, that my State led the Nation in the field of progressive legislation, and that at that time he and some of us who followed him in our thinking at that time were called dirty names. But I want the gentleman to know that in what I shall say next Thursday I am going to try to advise you of the mental processes and thinking of the gentleman who, it is proposed, is to be put in charge of this program, taking into consideration what he was writing on his own some years ago and not what he is saying today. I am not going to be able to give you the answer as to how we are going to take care of the problem, which I very well know about. Very obviously your party has not had the answer, because, if I read the papers correctly, you have abandoned any effort to enact a health program in this session of the Congress. I want the gentleman to know that so far as I am concerned I am aware of that program, and I have as much solicitude in my heart for the health of this Nation as does the gentleman from Massachusetts, and I think my record in this Congress will indicate that I have implemented that thought along a dozen different lines so as to bring health facilities to the people of this country in a manner which they can afford. I do not want the gentleman to let it appear that I am in opposition to the thinking of those people attempting honestly to bring expanded health services to the people of this country, because I am not, but I do not believe the gentleman has the answer nor do I think the gentleman from Wisconsin [Mr. BIEMILLER] who has just addressed us has the answer. Neither do I think the answer is involved in the proposal you have apparently now abandoned so far as this session of Congress is concerned. But I think we ought to know who the people are that we propose to have administer these programs. Then we can perhaps get some concept of what the motivating influence behind a lot of these programs really is.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. BIEMILLER. I yield to the very able gentleman from Massachusetts.

Mr. McCORMACK. As to the proposal the gentleman from Wisconsin [Mr. KEEFE] says we have abandoned, of course the gentleman knows that the message on the state of the Union delivered at the beginning of a Congress covers the entire Congress.

Mr. KEEFE. Yes.

Mr. McCORMACK. This is one session. I agree with the gentleman. The gentleman says that no one has the complete answer. I think that is fair. It is the operation of democratic processes that will bring about the answer, and then, if in the light of experience what we do is shown to be not complete, we start to improve further.

You can compare this to social security legislation. Look at the large groups we had to exclude from it in 1935. We had to exclude the employees of charitable, religious, and educational institutions, because they feared it would be a precedent for the taxation of property then and now exempt from taxation. That did not appeal to me personally, but I recognized the fear, and they were eliminated. The farmers were eliminated. I recognize the administrative difficulty, but people who live on a farm, if they live long enough, get old just the same as persons living anywhere else. Other classes were excluded.

The result is what? The late President Roosevelt, and he is one of the great immortals of all time, was called every name under the sun by those who opposed everything he first proposed. Some of us who fought shoulder to shoulder with him also were called those names. When he recommended social security the charge of socialism was hurled at him, and the same charge was hurled at him in regard to everything else he recommended.

We had hearings in the Committee on Ways and Means. They took many weeks. We heard all sides, and we sat in executive session and compromises were made, as they have to be made on all great progressive steps. Now, 14 years later, we are considering additional coverages under the social security program, and some groups who 14 years ago opposed being included appeared before the Committee on Ways and Means asking that they now be included. Public opinion within that group has changed. I recognize that and, again, that is democracy in action.

The same thing applies to this proposal. It will go through long hearings, there will be careful screening, and an executive session will be held. The committee will act. Then the House will act, and then the other body in committee and on the floor will act. Out of it will come something that will represent progress. It will probably go further than some people want and not as far as others want.

I agree with my friend in the broad statement he has made that "no one has the answer," but there is a problem. The purpose of my observations was this. I have talked with Mr. Kingsley only over the telephone on matters other than this. My talks with him have been very pleasant. I hope to meet him sometime. As I recollect, I have never met him personally. But no matter what Mr. Kingsley might have said in the past, the important thing, after all, is whether or not there are conditions in America requiring something to be done. That is the important thing, after all.

The SPEAKER. The time of the gentleman from Wisconsin has expired.



## EXTENSION OF REMARKS

Mr. CUNNINGHAM asked and was given permission to extend his remarks in the RECORD and include an article on the preservation of national wildlife.

## SOCIALIZED MEDICINE

Mr. KEEFE. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. KEEFE. I yield.

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent that upon the conclusion of the address by the gentleman from Wisconsin [Mr. KEEFE] I may address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. KEEFE. Mr. Speaker, I could not permit the RECORD to remain as it would appear at the conclusion of the statements of my friend the gentleman from Massachusetts [Mr. McCORMACK]. He made the usual statement, which we have heard time and time again and endeavors to make it appear that anybody who speaks in opposition falls in the category of obstructing the progress of things in America. I have just simply this to say: I do not believe the gentleman from Massachusetts believes in the socialization of medicine, and when I say socialization of medicine, he knows what I am talking about. I do not believe the gentleman from Massachusetts believes in the nationalization of the hospitals in this country, either, and when I say nationalization of hospitals, I am sure he knows what I am talking about.

I cannot conceive that the gentleman from Massachusetts would ever support the thesis that the Federal Government should take over all the hospitals of this country and operate them. I do not believe the gentleman believes in any such thing. Yet, I want to say to the gentleman that this thing which he terms progress can merely be the entering wedge and the opening of the door to carry out the philosophy which seems to be well rounded and well fixed and which may result in the complete nationalization of all the hospital services in America and the complete socialization of medicine. I think the gentleman will be very interested to learn of the political theories of Mr. J. Donald Kingsley, as he has written them in his own books and in his own public statements. While he may be a great conciliator now in appearing before congressional committees, in an attempt to slide through this national life-insurance program, on the theory that it is not socialization of medicine, in accordance with his own statements, as I will quote them to you, it is just one part of the broad program to ultimately socialize medicine and socialize and nationalize the hospital facilities of

America. I am calling attention to this because I think it is important.

Mr. Speaker, does that mean I am not conscious of this problem which confronts us? I have supported, as the gentleman well knows, every effort under the sun to enlarge the teaching staffs of our universities to provide more doctors and to set up nurse-training programs and provide the money to train nurses that will be needed to implement any sort of national health program. I have been a vigorous supporter of the Hill-Burton hospital-construction program, which will provide the hospital facilities which are necessary and without which no health program could possibly succeed. We have implemented the work of the State public-health services and the research facilities of the Nation during the 10 years that I have been a member of that Subcommittee on Appropriations, to the point where it has attracted the attention of the Nation.

The gentleman cannot talk to me and leave the impression in the RECORD of the Congress that I am in opposition to well-directed efforts to improve the health of the Nation or to provide facilities which will give health to the people of this country. I take this time merely to indicate as emphatically as I know how in the RECORD of the Congress that the implications contained in the rather rambling and generalized statements of the gentleman from Massachusetts cannot be construed to indicate that what the gentleman from Wisconsin has said or will say is in opposition to the efforts to provide the people of this country with facilities which I know they need in order that they may enjoy health.

The SPEAKER pro tempore (Mr. MONROE). The time of the gentleman from Wisconsin [Mr. KEEFE] has expired.

## COMMITTEE ON AGRICULTURE

Mr. WORLEY. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may have until midnight tonight to file a report on the bill H. R. 3699.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

## SPECIAL ORDER

The SPEAKER. Under previous order of the House, the gentleman from Michigan [Mr. HOFFMAN] is recognized for 5 minutes.

(Mr. HOFFMAN of Michigan asked and was given permission to revise and extend his remarks.)

## SOCIALISTIC TRENDS

Mr. HOFFMAN of Michigan. Mr. Speaker, no doubt every Member of the House, as well as the overwhelming majority of our citizens, agree with the basic thought expressed by both the gentleman from Wisconsin [Mr. KEEFE] and the gentleman from Massachusetts [Mr. McCORMACK]. The gentleman from Massachusetts sincerely bemoaned the situation which made it impossible for certain low-income groups, as he calls them, to obtain what he thought was necessary medical aid. He expressed

some pride in the fact that he had assisted in the enactment of social-security legislation.

Social security, properly administered and limited, is all right, may I say to the gentleman from Massachusetts, but I go back to the day when some of the so-called reactionaries and conservatives believed in legislation and in a government which would enable and permit the individual to provide for his own old-age security. That day has gone, and I can see the necessity for social security, so-called, may I say to the gentleman; but only because his party has created a condition where it is absolutely impossible today for any man, unless he inherits wealth or has it, to provide for his old-age security. In my boyhood days a man who had two hands and the disposition to work could find a job, and conditions were such that he could provide for his own old-age security and start his children on the road to security.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. In just a minute.

If there are low-income groups today one of the reasons why, basic reasons, why the worker has less, why the businessman has less, why Government help is needed so often, is because the Government here in Washington as well as in some States takes away from him through taxation so much of what he earns. Sure. If I cause an automobile wreck the least I can do is go back and help the fellow I have injured, whose automobile I have destroyed; and the least the Democratic-New Deal Party ought to do is to now provide in some way, if it can, for the security of those who because of its legislation and its policies are unable to provide for themselves.

Yes; I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Did I understand my friend to say he now favors social security? Never mind the reasons for it.

Mr. HOFFMAN of Michigan. That I what?

Mr. McCORMACK. That the gentleman now favors social security.

Mr. HOFFMAN of Michigan. Favor it?

Mr. McCORMACK. Yes.

Mr. HOFFMAN of Michigan. I am in favor of those whom your party has rendered incapable of taking care of themselves getting some help.

Mr. McCORMACK. Never mind the reason. Now has the gentleman announced himself in favor of that?

Mr. HOFFMAN of Michigan. Social security?

Mr. McCORMACK. Social security.

Mr. HOFFMAN of Michigan. I answered the gentleman: For those that you or rather your party through its policies put on relief rolls, I say "Yes."

Mr. McCORMACK. Then the gentleman's answer is "Yes"?

Mr. HOFFMAN of Michigan. I do not believe in socialized medicine—compulsory health insurance; no, I do not.

Mr. McCORMACK. The gentleman is commencing to show a little liberality of spirit.

Mr. HOFFMAN of Michigan. I am willing to do my part, and my people are prepared to do their part, to take care of those pauperized—through New Deal policies—waste and extravagance.

Mr. McCORMACK. The Hoover depression, of course, had nothing to do with bringing about that lack of economic stability.

Mr. HOFFMAN of Michigan. Hoover depression. You mean the depression caused by World War I? But what did the gentleman's party do with Hoover's reorganization plans? What did your party do to preserve the rights of the House to assert its views in the matter?

Mr. McCORMACK. Why, we saved the country.

Mr. HOFFMAN of Michigan. Saved the country—with a two-hundred-fifty billion debt—with the bond sale last week to get money for current expenses.

Now the gentleman comes along and drags in Mr. Hoover. The body across the Capitol has considered the reorganization plan, but we have no reorganization bill today because the House insists that the other body take the gentleman's plan, because the plan that they have over there, which would give us real organization, is not just suitable to the gentleman. Oh, no; the gentleman will not take that; the gentleman will not stand for a position that reserves to this House its constitutional right to pass upon any plan that the gentleman in the White House wants to send down. Why not?

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield.

Mr. McCORMACK. Now the gentleman has jumped from social security to reorganization. We finally got the gentleman to make the first public admission of liberality, but he made it during this little colloquy here.

Mr. HOFFMAN of Michigan. Not so little; quite a lot; and only the professional liberals believe in the wasteful spending of other people's money.

Mr. McCORMACK. We have finally got the gentleman to make an open confession, and it is most refreshing. But now the gentleman jumps from social security to reorganization. That is a pretty rapid shift; I do not quite follow the gentleman.

Now the gentleman said that in the reorganization bill conference we opposed everything—

Mr. HOFFMAN of Michigan. What is that?

Mr. McCORMACK. The gentleman is a member of the conference committee, is he not?

Mr. HOFFMAN of Michigan. I am not talking about that; I would not venture to disclose anything that transpired in the conference.

Mr. McCORMACK. I wanted to protect the gentleman in that respect.

Mr. HOFFMAN of Michigan. I do not need any protection from that side. I have learned how to stand on my own feet pretty well and take care of myself; I get along all right.

Mr. CURTIS. Mr. Speaker, will the gentleman yield?

The SPEAKER. The time of the gentleman from Michigan has expired.

Mr. CURTIS. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for one additional minute.

Mr. HOFFMAN of Michigan. So that I may yield to the gentleman from Nebraska?

Mr. CURTIS. Yes.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan may proceed for five additional minutes.

Mr. HOFFMAN of Michigan. So that I may yield to the gentleman from Massachusetts?

Mr. McCORMACK. No; I do not want any more of the gentleman's time.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts that the gentleman from Michigan may proceed for five additional minutes?

There was no objection.

The SPEAKER. The gentleman from Michigan is recognized for five additional minutes.

Mr. HOFFMAN of Michigan. Mr. Speaker, I yield to the gentleman from Nebraska.

Mr. CURTIS. I was interested in what the gentleman from Massachusetts had to say about social security. I would like for him to state who in the United States is secure in his financial position right now?

Mr. HOFFMAN of Michigan. I yield to the gentleman from Massachusetts for that purpose, although he will have 5 minutes of his own time.

Mr. McCORMACK. The gentleman admits that he feels secure, does he not?

Mr. CURTIS. Oh, no.

Mr. McCORMACK. That makes you and myself.

But the gentleman is not secure? What about the fellow who is getting \$25 a week? Is he as well off as the gentleman is?

Mr. CURTIS. The gentleman is evading my question.

Mr. McCORMACK. What about the corporations that made \$20,000,000,000 and more last year?

Mr. CURTIS. I want to know who in this country you have made secure?

Mr. McCORMACK. Who we have made secure?

Mr. CURTIS. Yes.

Mr. McCORMACK. Why, the gentleman's question is so based upon—I do not want to use the word "ignorance"—

Mr. CURTIS. Go ahead, that will not bother me at all.

Mr. McCORMACK. On a total lack of economic knowledge during the last 20 years. Why, farmers were selling cotton down South for 4 or 5 cents a pound. What was wheat being sold for in 1930, 1931, and 1932? Were the Democrats in control then? No. The people of the gentleman's district were prostrated.

Mr. CURTIS. Why does not the gentleman answer the question?

Mr. McCORMACK. The gentleman has asked a question and I am answering it.

Give me time to answer it. We saved your people and the people of the gentleman's district in Michigan.

Mr. CURTIS. The gentleman better look to the coming depression and the rising unemployment now.

Mr. McCORMACK. Oh, yes. You gentlemen have always opposed everything.

The gentleman always talks pessimism.

Mr. CURTIS. I want to become optimistic. Who have you made secure?

Mr. HOFFMAN of Michigan. Mr. Speaker, I decline to yield further. I want to take up where the gentleman from Massachusetts, my good friend, Mr. McCORMACK, left off.

Mr. CURTIS. Will he answer the question?

Mr. HOFFMAN of Michigan. The administration tells our people of this regulation and that order and what they mean, so that our folks at home do not know what to do. They, at least, do not feel secure. They get so many orders from Washington, so many contradictory orders, they do not know whether they are going north or south, east or west, backward or forward. They cannot do a thing the old way. Yet you talk about what the Democrats have done. You have raised the prices of all these things, but the difficulty is when you get the larger wage you boast about you will not have as much when you try to buy something as you had before. I could formerly live on \$8 a week. I cannot do it now so well. My wife came along one night and she cut an apple in two. She gave me half of it. I asked her, "What is the matter?" She says, "Apples are 8 cents apiece. You are selling them at home for 35 cents a bushel." Yet when I get down to Washington and want one it costs 8 cents. And so it is all along the line. You want to buy something, but the money they give for your work will not do for you what it did in those so-called hard times. As Leo West—a CIO worker in my district, told me: "It is not a question of how much I get in that pay envelope; it is what my wife can get when she goes to the store with her basket." I said, "When did you discover that? My great-grandmother knew that away back in the days when they had to work for everything they got, when they spent their money wisely and well."

Now, I go back to my original thought, I may say to the gentleman from Massachusetts. The gentleman's party has fixed it so it is absolutely impossible for the average man to provide for his old age, or to buy a home. That is why we have social security. That is why we have the housing problem. I started to build a home on \$8 a week and finally got it paid for. I live in that same old shack. But you come along up there when we adjourn and you will see it is a fairly decent place, with a good bed to sleep in, plenty on the table to eat, with lakes and rivers nearby where you can catch fish and even shoot ducks once in a while—a typical American way of life, where anyone able and willing to work could, and the average did, provide for his old-age security.

The SPEAKER pro tempore (Mr. MONROE). The time of the gentleman from Michigan has again expired.



## EXTENSION OF REMARKS

Mr. HAYS of Arkansas asked and was given permission to extend his remarks in the Appendix of the RECORD and include a statement he made before the Committee on Education and Labor.

## NATIONALIZATION OF HOSPITALS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, without realizing it, my good friend the gentleman from Michigan [Mr. HOFFMAN] made a very able speech in support of the great leadership of the Democratic Party during the last 16 years.

The gentleman from Wisconsin [Mr. KEEFE] spoke about nationalization of hospitals and socialization of medicine. Of course, nobody is advocating that, so far as I know. Those are coined phrases for the purpose of deceiving the people and creating an impression that something sinister, something inimical to the best interests of the people is involved in the recommendations made by President Truman. The same thing was said in 1934 and 1935, when President Roosevelt sent up his recommendations on social security.

No man ought to be a Member of the House if he is very sensitive, or he will lead a life of misery, and particularly as majority leader—if I were sensitive, I would live a very uncomfortable life—but I am not responsible for the sensitivity of the feelings of my friend from Wisconsin if he construed what I said in his application to him as labeling him or trying to create the impression that he was "a destructionist to progress." If the gentleman has any such feeling, I want the record to show that I have no such thought in mind, because I can very well remember the fine fight made by the gentleman in the last Congress, when he was chairman of the subcommittee, in getting appropriations through in connection with laboratory research work regarding certain diseases and other matters, and I remember the cooperation and the unanimity with which it came out of the subcommittee of which he is a member this year. I want the record to show that if the gentleman assumes that anything I said might create that impression, that there was no such intent on my part.

Mr. KEEFE. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Wisconsin.

Mr. KEEFE. Does the mind of the gentleman go back to the time when the gentleman from Wisconsin brought to the floor of this House the original concept, and offered the first appropriation implementing it, of the maternity and infant-care program which was denounced by many people as being a Socialist measure, and that the gentleman from Wisconsin developed that program?

Mr. McCORMACK. Yes. And the gentleman from Massachusetts was right in here helping him.

Mr. KEEFE. And the chairman of the Committee on Appropriations stopped it at the first opportunity by raising a point of order against it. But when the people were heard from around the country, and finally we got it through, the gentleman from Massachusetts and every Member of the Congress got behind that program, although some people said that program was a Socialist program. Now, I want the gentleman to understand that I do not stand in the way of progress in bringing aid to the unfortunate, and I recognize the problem that exists and am trying as desperately as the gentleman from Massachusetts to find the answer to it. But I do not think you have the answer in the proposal which you have before you, and I think the gentleman will admit that.

Mr. McCORMACK. When the gentleman takes the floor and says, "I do not think the gentleman from Massachusetts stands for the nationalization of hospitals and the socialization of medicine," I could well say that my friend from Wisconsin is guilty of the very thing that his conscience thought I was guilty of when, as a matter of fact, I was rather complimentary to my friend in trying to make a suggestion of guidance, rather presumptuous on my part, I realize. But I assumed that my friend from Wisconsin would not misconstrue it, and that in addition to what he might have to say about Mr. Kingsley—that is his name, is it not?

Mr. KEEFE. That is right.

Mr. McCORMACK. That he also discuss the situation confronting the people of America, that something must be done regarding the health problems. I agree with the gentleman, I do not think anyone has the answer, just the same as we did not have the answer in 1935 on social security when we started, just the same as we have not got the answer on social security today—in 1949. Times change. They produce new conditions. They create new problems. Government is a living institution. It never dies; it cannot. If it becomes static it commences to decay and disintegrate. Time passes, and problems constantly arise that concern the people and require legislative consideration, either on the part of Congress or on the part of the various State legislatures, so that there is no such thing as an end. Government must work, and in order to work it must serve. Whatever proposal is advanced it must be discussed on its merits. As to those who oppose it, I respect their views, but when they say that those who favor something being done stand for the nationalization of hospitals and the socialization of medicine, I sharply disagree with them and say that they are not intellectually honest. Whenever they present their views as to why they oppose, I thoroughly respect their views. But when they try to impugn the motives of those who honestly are endeavoring to seek a solution, by calling them harsh names, there is no contribution being made to any debate that will bring about a healthy and a constructive solution.

So I hope that when the gentleman addresses the House he will also address it from the angle of the economic neces-

sity confronting our country and the need for some kind of legislation, in view of the fact that 50 percent of the families of America have a total income of \$3,000 a year or less.

## LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. DAVIS of Tennessee, for the week of May 30, on account of official business.

## SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1843. An act to convert the National Military Establishment into an Executive Department of the Government, to be known as the Department of Defense; to provide the Secretary of Defense with appropriate responsibility and authority, and with civilian and military assistance adequate to fulfill his enlarged responsibility; and for other purposes; to the Committee on Armed Services.

## ENROLLED BILLS SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 1057. An act for the relief of John Keith.

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 969. An act to transfer the Pomona station of the Agriculture Remount Service, Department of Agriculture, at Pomona, Calif.

## ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 7 minutes p. m.) the House, under its previous order, adjourned until Tuesday, May 31, 1949, at 12 o'clock noon.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

653. A communication from the President of the United States, transmitting supplemental estimates of appropriation for the fiscal year 1950 in the amount of \$56,295 for the legislative branch, House of Representatives (H. Doc. No. 199); to the Committee on Appropriations and ordered to be printed.

654. A letter from the Attorney General, transmitting the case of Thomas Kun Nimeneh or Thomas Nimeneh or Thomas Kun Nemera or Keen Nimeneh or Sam Nimeneh or Keen Nimeh, file No. A-4026037 CR 22433, and requesting that the case be withdrawn from those now pending before the Congress and returned to the jurisdiction of the Department of Justice; to the Committee on the Judiciary.

655. A letter from the Attorney General, transmitting copies of orders of the Commissioner of the Immigration and Naturalization Service suspending deportation, as well as a list of the persons involved; to the Committee on the Judiciary.

656. A letter from the Secretary of the Interior, transmitting a copy of Joint Resolution 20, from Governor Stainback, of the Legislature of Hawaii, requesting the Congress of the United States to enact legislation whereby lands acquired by the United States

for defense purposes and not now being used by the United States be offered for sale or exchange to former owners thereof and others; to the Committee on Public Lands.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BARRETT of Wyoming: Committee on Public Lands. S. 55. An act to authorize completion of construction and development of the Eden project, Wyoming; without amendment (Rept. No. 691). Referred to the Committee of the Whole House on the State of the Union.

Mr. THOMPSON: Committee on Merchant Marine and Fisheries. H. R. 4252. A bill to transfer the trawlers *Alaska* and *Oregon* from the Reconstruction Finance Corporation to the Fish and Wildlife Service; without amendment (Rept. No. 692). Referred to the Committee of the Whole House on the State of the Union.

Mr. SABATH: Committee on Rules. House Resolution 230. Resolution for consideration of H. R. 4754, a bill to simplify the procurement, utilization, and disposal of Government property, to reorganize certain agencies of the Government, and for other purposes; without amendment (Rept. No. 693). Referred to the House Calendar.

Mr. COOLEY: Committee on Agriculture. H. R. 3699. A bill to amend the Federal Farm Loan Act, as amended, to authorize loans through national farm-loan associations in Puerto Rico; to modify the limitations on Federal land-bank loans to any one borrower; to repeal provisions for subscriptions to paid-in surplus of Federal land banks and cover the entire amount appropriated therefor into the surplus fund of the Treasury; to effect certain economies in reporting and recording payments on mortgages deposited with the registrars as bond collateral, and canceling the mortgage and satisfying and discharging the lien of record; and for other purposes; with an amendment (Rept. 694). Referred to the Committee of the Whole House on the State of the Union.

#### PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ABERNETHY (by request): H. R. 4892. A bill to provide for the admission of pay patients to the Home for the Aged and Infirm; to the Committee on the District of Columbia.

By Mr. COLMER: H. R. 4893. A bill to amend the Agricultural Act of 1948 by adding thereto a new section to establish an average parity price for fats and oils and to aid in maintaining such parity price to producers; to the Committee on Agriculture.

By Mr. ELLIOTT: H. R. 4894. A bill providing direct Federal old-age pensions at the rate of \$50 per month to needy citizens 60 years of age or over; to the Committee on Ways and Means.

By Mr. MARSHALL: H. R. 4895. A bill to permit the prospecting, development, mining, removal, and utilization of the mineral resources within the Superior National Forest, Minn., and for other purposes; to the Committee on Public Lands.

By Mr. REES: H. R. 4896. A bill to provide that the Indian Claims Commission shall hear and determine claims to enrollment on the rolls of the Five Civilized Tribes and of the Osage Indians; to the Committee on Public Lands.

By Mr. RODINO:

H. R. 4897. A bill declaring October 12 to be a legal holiday; to the Committee on the Judiciary.

By Mr. WHEELER:

H. R. 4898. A bill to provide that veterans pursuing courses of training in the building trades at approved public institutions may, as part of such training, construct, improve, and repair public buildings; to the Committee on Veterans' Affairs.

By Mr. MORRISON:

H. R. 4899. A bill to provide Federal funds to assist the States in constructing public schools; to the Committee on Education and Labor.

By Mr. NIXON:

H. R. 4900. A bill to provide for the acquisition of a site and for the construction of a suitable building thereon for the use and accommodation of the United States post office at Pico, Calif.; to the Committee on Public Works.

By Mr. REDDEN:

H. R. 4901. A bill to authorize the Eastern Band of Cherokee Indians, North Carolina, to lease certain lands for a period not exceeding 40 years; to the Committee on Public Lands.

By Mr. CELLER:

H. Res. 231. Resolution to provide for the printing as a House document a report of the proceedings of the National Resettlement Conference for Displaced Persons; to the Committee on House Administration.

#### MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Florida, recommending the carrying into effect of the administrative recommendations of the Hoover Commission; to the Committee on Expenditures in the Executive Departments.

Also, memorial of the Legislature of the State of Florida, memorializing the President and the Congress of the United States to restore the former tariff of 21 percent on imported sponges; to the Committee on Ways and Means.

#### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. JUDD:

H. R. 4902. A bill for the relief of Arthur Neustadt and Mrs. Emma Neustadt; to the Committee on the Judiciary.

By Mr. KEOGH:

H. R. 4903. A bill for the relief of Krikor G. Guiragossian; to the Committee on the Judiciary.

By Mr. McMILLAN of South Carolina:

H. R. 4904. A bill for the relief of the estate of Conrad L. Steele, deceased; to the Committee on the Judiciary.

By Mr. MORRIS:

H. R. 4905. A bill for the relief of Jack Stuckey; to the Committee on the Judiciary.

By Mr. NIXON:

H. R. 4906. A bill for the relief of Manuel Uribe; to the Committee on the Judiciary.

By Mr. McDONOUGH:

H. R. 4907. A bill for the relief of Eunice Hayes, Kathryn Hayes, and Florence Hayes Gaines; to the Committee on the Judiciary.

#### PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

958. By Mr. HOPE: Petition of Mrs. D. B. Martin and others, of Sterling, Kans., urging

the passage of legislation to prohibit the transportation of alcoholic-beverage advertising in interstate commerce, etc.; to the Committee on Interstate and Foreign Commerce.

959. By Mr. JONAS: Petition bearing the names of 210 residents of Chicago, Ill., objecting to the passage of H. R. 4238 and H. R. 4349, relating to turning over animals in the District of Columbia Dog Pound for vivisection; to the Committee on the District of Columbia.

960. By Mr. NORBLAD: Petition signed by George A. Dennis and 185 other citizens of the State of Oregon, urging enactment of the railroad retirement bills, S. 1379 and H. R. 4282, 2741, 4334, and 2146; to the Committee on Interstate and Foreign Commerce.

961. By Mr. SMATHERS: Petition of Mrs. Irene Burke and others, endorsing passage of the Townsend plan; to the Committee on Ways and Means.

962. By the SPEAKER: Petition of the American Naturopathic Association of California, Inc., Los Angeles, Calif., requesting that the practice of naturopathy be included on an equal basis with other branches of the healing art in any national health plan that the United States Congress may enact into law; to the Committee on Interstate and Foreign Commerce.

963. Also, petition of Rhode Island Dental Hygienists' Association, Pawtucket, R. I., requesting that Congress do not enact any legislation which will hamper freedom, such as the current proposals for compulsory health insurance; to the Committee on Interstate and Foreign Commerce.

964. Also, petition of American Public Power Association, Washington, D. C., endorsing the extension of Federal social security, on a voluntary basis, to employees of State and local governments; to the Committee on Ways and Means.

965. Also, petitions of Mrs. Agnes G. Shankle, General Welfare Federation of America, Washington, D. C., and Mrs. Flora Humphrey and 80 others for Liberty Club, General Welfare Federation, Buffalo, N. Y., endorsing H. R. 2620, calling for a national old-age pension; to the Committee on Ways and Means.

966. Also, petition of Mrs. Hattie Meyer and others, Fairmont, Minn., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

967. Also, petition of Rev. Burton Fisher and others, Daytona Beach, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

968. Also, petition of Mr. and Mrs. Charles H. Nutting and others, Ormond, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

969. Also, petition of Rev. J. A. Logan and others, Geneva, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

970. Also, petition of Mrs. M. B. Claypoole and others, St. Petersburg, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

971. Also, petition of Mrs. C. H. Underwood and others, Zephyrhills, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

972. Also, petition of Henrietta Hall and others, Tampa Townsend Club, No. 8, Tampa, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.